

Caterpillar and the Mahua Flower

TREMORS IN INDIA'S MINING FIELDS



EDITED BY RAKESH KALSHIAN

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Preface

BY RAKESH KALSHIAN

Economic globalisation has whetted an insatiable appetite for energy and raw materials across the world. The gradual easing of national barriers to passage of finance capital and goods means nation states and corporations are much freer now to quarry the last remaining jewels from the earth's bowels.

Unfortunately, the sites of these mineral treasure troves also happen to be the homelands of indigenous peoples, or Adivasis, as we call them in India. With nations claiming sovereign rights over resources that lie under their territories, these communities, already pushed to the margins by colonialism, nation-building, cultural discrimination, and environmental racism, are fighting a grim battle for justice and survival against voracious markets backed by growth-hungry states.

The recent Hollywood movie *Blood Diamond*, a horrific tale of poor, ordinary people slaving in mines for diamonds used to fund a protracted

civil war between the rebels and the government in Sierra Leone, tellingly exposes how the nexus between amoral capital and apathetic state can wreck innocent ordinary lives and ruin vibrant ecosystems. At another level, the film also points us to the almost inevitable, often macabre, clash of opposing worldviews that's played out everyday in the Grand Guignols of the world's mining fields.

Echoes of *Blood Diamond* are now reverberating in the hollows of India's mineral-rich regions. Chasing its dreams of becoming an economic superstar, India has opened its rich mineral pits for exploitation by private capital. Auspiciously for the booming extractive industry, there is perfect symmetry between national aspirations and the ambitions of the mineral-rich states, namely, Orissa, Jharkhand, and Chhattisgarh. The latter, should they be left far behind in the race for economic prosperity, have rolled out the red carpet for investors, domestic as well as foreign, in the hope of erecting a modern, prosperous edifice on the foundations of their mineral endowments.

By offering a tempting package of concessions and guarantees — from acquiring land and ensuring unrestricted supply of coal, water and power, to brokering environmental clearances from the central ministry and offering state security to the investors' property against popular resistance — the state governments across the political spectrum are willing to please Mammon at any social and environmental cost. This economically backward region also offers some of the cheapest labour in the world, making it absolutely irresistible for profiteers.

We must remember, however, that the three states are not just bestowed with mineral riches. They are also home to a large number of Adivasis, and boast of a rich menagerie of flora and fauna. Unfortunately, they have also for long seen a festering conflict between the state and militant groups called Naxalites.

So, while billions of dollars are being shovelled into extracting precious ores, thousands of Adivasis are being bulldozed out of their lands and forests. Their social, cultural, and ecological fabric ripped apart, these vulnerable people, no matter how handsome the compensation, are soon rendered paupers. What with shoddy and unjust resettlement and rehabilitation policies, once displaced they are condemned to the purgatory, either in the city or in the mine.

But it's not going to be smooth sailing for the state-industry nexus. As we decry the nefariousness of it all, popular memory and resentment against loss of land and livelihood is erupting in a vicious cycle of bloody violence across the mining belt. Despite, and because of, state repression, communities are waging a last-ditch battle against the denial of their rights and privileges. Indeed, with Naxalism on the rise, the entry of private investment in mining has only helped fuel the smouldering fires of anger and violence.

The bloody fracas in January 2006 between the police and armed disgruntled Adivasis protesting the takeover of their land by Tata's steel project in Kalinga Nagar, Orissa, is a tragic and ominous portent of the apocalypse that awaits this mineral-accursed region. Twelve Adivasis were gunned down by the police in the incident. In a chilling reminder of how mining has dehumanised life in the region, the dead bodies were later reportedly mutilated by police constables.

Salwa Judum, a Chhattisgarh state government-sponsored campaign to mobilise Adivasi youth against the Naxal "menace" as well as, as some allege, popular resistance to mining in the state, is another Frankenstein monster that threatens to fracture and destroy the indigenous communities caught in the crossfire between the state and the Naxalites. Last month, 55 ill-equipped Salwa Judum troopers were mowed down by their Naxalite brethren in Dantewada district of Chhattisgarh.

However, popular resistance has not been all in vain. Norsk Hydro of Norway and Alcan of Canada backed out of the bauxite mining project in Kashipur, Orissa, thanks to a 13-year-long resilient popular resistance movement. A just published report on the Kashipur project by a former advisor to the World Bank, Robert Goodland, indict both the state government and the project proponents for committing violence against the affected community as well as for violating environmental laws. But it's premature for the Kashipur people to celebrate, as Birla's Hindalco, the project's Indian partner, is determined to go ahead.

Despite the tenacious resistance from people, the mining juggernaut marches on — for a nation committed to a double-digit annual economic growth, there's a lot at stake. Over the last decade, apart from Indian steel and mining majors such as Tatas, Jindals and Birlas, global steel and mining giants like Arcelor Mittal, POSCO, Vedanta Resources, Phelps Dodge, ACC-Rio Tinto, CRA, De Beers, Anglo American Exploration, BHP Minerals, Pro Am, Alcan, Norsk Hydro and Ashton Mining have grabbed approvals to explore and mine iron, coal, diamond, gold, bauxite, copper, silver and associated minerals in Jharkhand, Orissa, Madhya Pradesh, Chhattisgarh, Andhra Pradesh and Karnataka. Data from the department of mines on Foreign Investment Promotion Board (FIPB) approvals, on foreign equity participation as on July 31, 2005, lists 73 such joint venture companies. Since October 1996, the central government has approved about 200 proposals for aerial prospecting covering a huge area of over 245,000 sq km. Some of the concessions granted to private investors under the liberalised mineral policy clearly smack of state capitulation before the market. To cite a few:

- No difference in the caps on foreign equity holdings at the stages of exploration and that of mining
- Foreign equity holding up to 100 percent allowed on the automatic

route for both exploration and mining of all minerals with which the department of mines is concerned, other than diamonds and precious stones

- Foreign equity up to 74 percent allowed on automatic route for exploration and mining in diamonds and precious stones. Further increase in equity holding has to be cleared by the FIPB
- Foreign equity up to 100 percent allowed on the automatic route for processing of minerals and metallurgy
- No requirement of a No Objection Certificate from an existing joint venture partner for fresh investments
- Amendments to the Act that prohibits the sale/leasing of indigenous peoples' land for mining in order to make it easier for the state to acquire those lands
- Dilution of environmental laws and regulations in order to put mining projects on the fast track

The union minister of mines recently stated that India is targeting Foreign Direct Investment (FDI) of around Rs 1,000 billion (\$22.37 billion) in the mining sector in the next two years by introducing a more liberal mining policy.

One of the amendments in the proposed new mining policy seeks to undermine Schedule V of the Indian Constitution which was put in place expressly to safeguard the land rights of Adivasis. Schedule V prohibits the sale or lease of Adivasi lands to outsiders. Not even state governments can lease land for industrial use to non-Adivasis.

However, in 2005, the R K Dang Committee set up by the government to look into mining in virgin areas opened a Pandora's Box by recommending greenfield projects in Schedule V areas. The Dang Committee recommendations, though not yet accepted, contravene an eight-year-old Supreme Court judgement called the Samata judgement. This landmark judgement had ruled in favour of an Andhra Pradesh-based NGO, Samata, and held that any transfer of land (immovable property) from an Adivasi to a non-Adivasi person was null and void. It had ruled that the term "person" included government and that immovable property also included prospecting and mining leases. While the case pertained to Andhra Pradesh, the apex court gave directions that all state governments should abide by the ruling.

The proposed amendment is just one of many treacherous attempts by the state to grab Adivasi land for the sake of mining corporations. Those critical of the methods of the metals and minerals industry, and thereby of the state's support to such industry, are also critical of the policies of international financial institutions on extractive industries.

The World Bank provides technical assistance to member countries on such matters as the legal framework for the industry, geographical information systems, environmental regulation and modernisation techniques for mineral extraction and processing even as it suggests ways to mitigate the socio-economic and cultural impacts of mining. Yet major World Bank-funded mining projects are the ones that suffer chronically from socio-economic and environmental problems.

Ironically, but not surprisingly, the World Bank has practically rejected the recommendations of a review of extractive industries, which it had itself commissioned in 2004. The review advised the Bank to move out of funding extractive industries as they were not only bad for the environment but also because they disrupted the life and culture of indigenous communities.

All this raises many political and ethical questions about the ultimate survival of the indigenous communities, about the nexus between a growth-obsessed and coercive state and a profit-hungry corporation, about the possibility of a humane and just resettlement and rehabilitation of displaced peoples, about the sustainability of mining itself, about the relationship between International Financial Institutions such as the World Bank and transnational mining and metal corporations, and lastly about the shrinking democratic space for debating such contentious issues.

The essays in this book seek to unravel the insidious labyrinth of mining in which both the state and the markets are implicated. It's hoped that these excavations will help people understand the intricacies of this embattled and murky business so that they can work towards a more humane politics that would not allow the abuse of power, both by the state as well as the market, against ordinary, defenceless people and their environment.

Iron in the Soul

BY ROGER MOODY

After weighing the human and environmental consequences of mining projects, the one overwhelming conclusion is that decisions over who should extract irreplaceable mineral resources, when, where and how, must no longer be entrusted to “the industry”. We rise up in alarm at the prospect of our rivers, lakes and oceans being privatised. But there is an equally compelling case to declare that the world’s minerals are also the common heritage of humankind

Twenty years ago, while researching Rio Tinto-Zinc (RTZ), then the world’s biggest mining company, I was struck by a curious anomaly. All three chief architects of the company between 1954 and the late eighties had listed “gardening” as a favoured pursuit in *Who’s Who*, the UK dictionary of biographies. Here were these captains of a highly dangerous and destructive industry regularly retiring to their rose beds, even as (as I knew fully well) their company was conniving with the South African apartheid and Pinochet regimes; violating a United Nation’s decree forbidding extraction of Namibia’s natural resources; and turning an entire Australian Aboriginal homeland into a “moonscape”.

How did they sleep at night? Would they one day be compelled to face their accusers and confess their sins, or simply, take to their spades and forks, muttering (if pressed) that they “didn’t know” what was going on?

Much water has gone down many rivers since that research was completed in 1991.¹ But so has an awful lot of toxic junk. More than 200,000 tonnes of it still plunges daily into the Ajikwa river system of West Papua from the Grasberg copper-gold mine, the responsibility for which Rio Tinto (as RTZ is now known) shares with Freeport of the US. Until the dawn of the new century, some 120 community workers and NGO representatives had turned up at various Rio Tinto annual shareholders’ meetings to recite a litany of its derelictions and deceit, usually backed by solid documentary evidence. All of them went away bitterly disappointed.

Now Rio Tinto presents a very different image to a significantly different audience. Several well-known environmental groups consider the company to lead the “natural resources extraction” sector (an inadequate term that’s nonetheless become synonymous with mining and mineral processing) by offering “multi-stakeholder partnerships” and an ever-rolling log of “dialogues” with sceptics. Former United Nations Secretary General Kofi Annan was certainly grateful for the support Rio Tinto gave him when he launched the Global Compact in 1999 to “lead the world in promoting corporate social responsibility”. Three years later the British prime minister proffered Rio’s chairman, Robert Wilson, a warm handshake for helping launch the Extractive Industries Transparency Initiative (EITI) at the second World Summit for Sustainable Development. However, all these were outmatched by Rio Tinto’s biggest public relations achievement, the establishment of the Global Mining Initiative (GMI) in 1999.² This spawned the Mining, Minerals and Sustainable Development (MMSD) study project, which is probably the broadest critical examination of an industrial sector yet performed. When MMSD segued into the International Council on Mining and Metals

(ICMM) in October 2001, it was a triumph for the company and Robert Wilson in particular. Almost inevitably, he became the first chair of this new vanguard for the minerals industry.

But the disturbing fact remains that Rio Tinto never apologised for a single one of its misdeeds stretching back 130 years and on which its prowess as the most diversified of global miners is based. The nearest it has come to contrition was an expression of vague regret for its stark neo-colonial stripping of a huge copper-gold deposit on the Papua New Guinean island of Bougainville. Leased in 1966, when the territory was under Australian control, the Panguna mine became the most commercially successful of all the company's operations within six years. Costs were savagely cut by dumping all the mines' wastes (tailings) into the nearby river. By 1988, a few of Panguna's indigenous landowners, led by a former Rio Tinto mineworker, Francis Ona, demanded US\$ 10 billion compensation for the ruination of their gardens, forests and waterways. The company jeered at the claim and refused to negotiate. Ona set up a nucleonic "Bougainville Revolutionary Army", declaring independence from Papua New Guinea. Backed by Australian helicopter gunships, troops from the mainland invaded the island. In the bloody civil war that ensued, up to a fifth of the island's population (between 15,000 and 20,000 villagers, many of them women and children) died before peace was brokered in early 1998. Rio Tinto belatedly confessed that it could have "done things otherwise" on Bougainville and, over the succeeding eight years, broadly hinted it would never resume mining on the island. Then, in 2006, as copper and gold prices reached a record high, rumours began spreading through the mining media that the company was planning a possible return.

Rio Tinto's self-promotion as the mining industry's "bench marker" for sustainable development has given it entry to numerous, mainly European, conferences on "ethical investment" that these days fall upon our heads like

confetti. It's a very different story for scores of communities and many trade unionists — from Australia to Zimbabwe — who continue to view the company with the deepest suspicion. But it isn't only Rio Tinto that faces such antagonism, although in recent years the company has attracted more grassroots opprobrium than any other. These days every big mining company vigorously pushes its own envelope on "improved practices" and "transparency" while having to face serious accusations that it fails to respect cultures, protect the environment, and return fair shares of its profits to the countries where it operates. As I write this, my desk is cluttered with alerts and alarums. CVRD, the Brazil iron-ore giant, is about to sue the Xikrin tribespeople for "invading" what is actually their own ancestral land, ripped from them 20 years ago.³ The Canadian government is now permitting miners to use freshwater lakes on First Nation (native peoples') lands to dump toxic wastes.⁴ Inco, the world's second biggest nickel producer, is building a smelter in New Caledonia, despite a court order obtained by local Kanaks prohibiting the company from doing so.

So is all this talk about industry reform, with which we're now regularly regaled, a sham? The answer is both yes and no. BHPBilliton has vowed never again to use rivers or oceans for the disposal of its tailings, and the odds are that it will not. (The international outcry would be deafening, and local reaction would verge towards sabotage.) But BHPBilliton, the world's leading "diversified resources" resources corporation, has also said it will refrain from mining in "protected areas", and that particular promise must be strongly doubted — not least in the case of its lease at Karlapat in Orissa.

Three years ago, in the wake of an international campaign by the Aboriginal Mirrar people of northern Australia, which included sending a spokeswoman to the company's annual general meeting, Rio Tinto pledged not to enter their traditional territory without obtaining their consent.⁵ If the Mirrar remain strong and united, then the company will hardly dare break the

agreement. However, several years ago, Rio Tinto also promised not to invest in Burma while the country's vicious regime was still in power. The US gold miner, Newmont, had just been forced to withdraw from the country under threat of US sanctions. But then, in October 2006, Rio pledged up to US\$ 1.7 billion to a "junior" miner called Ivanhoe, in order to access a huge copper lode in Mongolia. Ivanhoe also mines Burmese copper in a 50/50 partnership with the military. The UK company had broken its word.⁶

Defining Sustainability

Nevertheless some basic realities cannot be disputed. All metals and minerals are finite, many created within the earth's crust by unrepeatable geophysical events of a billion or more years ago. Once they are uprooted, and then processed, they cannot be returned to their original state. Nor can we replace the earth, rocks, sands, rivers or oceans which hosted these deposits. It's true that metals may be recycled and often are — though rarely to their full potential. (Ironically, more scrap aluminium is likely to be retrieved from the streets and waste dumps of Sao Paulo and Kolkata than those of New York or Tokyo.) Many metallic objects common in everyday life could be passed between us almost indefinitely, but too few are. The World Gold Council, an industry body, is keen to tell us (through its new "Trust Gold" campaign) that the metal is essential to electronics, computers, mobile phones, dentistry and certain alloys. The Council is less ready to point out that around 90 percent of gold ever mined is theoretically available for re-use. In principle there is no reason to extract a single ounce more gold for utilitarian purposes. However, the metal is stored in bank vaults and rests in (or literally on) private hands. Only a transformation of the global monetary system, and the puncturing of the mythologies woven around gold's virtues as a "store of value" and "hedge against inflation", are likely to change that.

Nor should we chant "Recycle and Re-use!" as if this were a hallowed mantra. Melting down scrap metals comes with its own ecological price in

terms of further sulphur dioxide and carbon dioxide emissions and discharges of chemical wastes. Recycled goods rarely circulate back among those whose land offered up the vital raw materials in the first place. When they do, the monetary gains from reprocessing tend to end up in foreign pockets (like those from primary extraction). Savings in energy and labour made through secondary processing are rarely translated into lower market prices for South-based consumers.

Whatever the justifications for digging up more and more minerals, their stock has been continually going down and the rate of depletion has been accelerating over many decades.⁷ Natural resource extraction per se cannot be reconciled with long-term sustainability. For industry spokespeople to claim (as they often do) that there is such a thing as “sustainable mining” is a transparent oxymoron. Nonetheless it’s another question whether mining can contribute to “sustainable development” by providing jobs, generating tax revenue, building infrastructure and funding ancillary social services.

All of us depend on metals and minerals to varying extents for power, transport, infrastructure, housing, grey and white consumer goods. Recycling and re-using them will never match with needs so long as what we sometimes glibly call “rising social expectations” fail to be satisfied. The rapid burgeoning of a middle class in China and India — fast approaching three quarters of a billion people — makes an increased demand for raw materials inevitable. It’s a key factor contributing to recent industry plans to encroach upon, and under, the Arctic, dig into the deep sea bed, and even prospect for minerals on the moon and other planets.⁸ The pressing question is therefore not “do we mine or not mine?” Some minerals, especially those used in construction, will always be needed and some types of extraction will continue indefinitely. Rather we have to ask ourselves: *what, how, when, where and by whom* is it acceptable to do so?

What to Mine?

Very few metals have a unique application. Gold is so ductile that a gram of it can be stretched more than three kilometres, but the need to do so rarely arises. Uranium is the predominant raw source for manufacturing nuclear fuel but not the only one; thorium dug up from mineral (beach) sands may be used as well. Platinum is the commonest metal employed in catalytic converters, designed to limit noxious exhaust fumes from internal combustion engines. However, manganese, nickel and iron can be incorporated too. Even more important, there are potential substitutes for metals and other extracted materials available for a whole host of human endeavours, with the major exceptions of waging modern warfare and travelling long distances at great speed. The “advances” made by our forebears may have seemed inevitable at the time (for example, changing from iron to copper, then copper to aluminium, in the fashioning of cooking pots). But they were determined by factors — availability of the raw material, the technology to process it — that do not necessarily prevail today. We are now beginning — if far too slowly — to understand that there have been huge socio-economic and environmental penalties attached to making those earlier choices, in particular around burning coal and smelting heavy metals. Calculating the “life-cycle costs” (the energy consumed, the wastes produced, and the pollution delivered) of transmuting a raw mined substance into a finished product is finally being recognised as a serious and necessary science. It’s no longer just the preserve of isolated bands of hopeless idealists. There is a growing consensus that some mined substances are so dangerous they should never be taken from the ground. Asbestos in all its forms is banned in the US and throughout the European Union. But, inexcusably, Canada and Russia continue selling stockpiles of the carcinogenic mineral across the world. Some South-based states (notably India) are now increasing their consumption of asbestos, predominantly for cement. Mercury, banned in 2006 by the European Union for use in thermometers, is still being dumped by European states in Africa and Asia in the form of “e-wastes” (mostly discarded computers and mobile

phones). Cement kilns and power utilities also put significant quantities of mercury into the air, not least in the US. Clearly global trade in both these substances should be banned. But how do we evaluate the consequences of using (or misusing) other potentially deadly toxic heavy metals, notably lead, cadmium and nickel? Although long discontinued in the manufacture of paint and piping, the market demand for lead last year increased instead of diminishing. Nickel, one of the most toxic of heavy metals, is being incorporated into batteries for hybrid cars that are supposedly “green”. Aluminium is promoted as a substitute for steel in automobiles, so as to reduce fuel consumption and thereby global Greenhouse Gas Emissions (GGE). But aluminium refining and smelting units themselves emit significant quantities of carbon dioxide and, tonne for tonne, comprise the largest industrial consumers of electricity.⁹ Should our taxes be directed only at promoting and exporting renewable energy? Or does coal currently bulwark so many fragile developing economies that we would do better to fund “clean coal mechanisms” even though the efficiency of these is questionable? As pointed out by the *Mining Journal* last year: “Thus far none of these [technologies] provides the “quick fix” solution that some parties to the Kyoto Protocol are hoping for.” China’s own emissions of GGE and sulphur not only threaten millions of inhabitants of the mainland, but the whole of East Asia and those living as far afield as the west coast of North America.¹⁰

The How of It

Choosing the best method of extraction first of all means distinguishing between dirty technologies and potentially less damaging ones. You may well come to share the opinions of many that there is no justification for throwing toxic mine wastes into rivers and seas, or for spraying cyanide onto ore to separate out gold. But an equally important question for many mining-impacted communities and workers is whether raw materials are excavated from underground shafts, open pits or “stripped” from the earth’s surface. The first employs substantially more workers, but wreaks a higher toll in

fatalities and occupational disease. On the other hand, open pit and strip mining take over much larger acreages of fertile land. Cement manufacturers are burning almost every conceivable type of industrial, chemical and agricultural waste in their kilns, to convert lime and gypsum into the “glue” that holds together our buildings and infrastructure. Is this, as claimed, reducing the toll from GGE? Or does it pose new dangers?

When to Mine?

For some years, the evidence has been growing that if a “lesser-developing” state relies heavily on income from mineral sales, it will add to, rather than subtract from, the continuing impoverishment of many of its citizens. What are the root causes of this so-called “minerals curse”? Is it because of institutional failures (nepotism, corruption and inequitable distribution of internal revenues), which may be redressed by better governance? Or is it the savage emasculation of royalty and taxation regimes — a strategy derived from World Bank/International Monetary Fund policies — and the intrinsic nature of a global commodities system where mineral exports are prized far more than alternative items of production?

The fundamental challenge, I believe, is to devise a truly humanist methodology which values mineral deposits before they get turned over by drills and dozers and are sent offshore. We have to set the long term socio-cultural and ecological consequences of mining against what might be gained from rents and other minerals-derived incomes in the present. Leaving the raw materials in the ground may prove the only way that many lesser-developing states can retain their diversities of real wealth, when the option of resuming operations still remains. Last July, the Indian newspaper *The Financial Express* examined the possible economic consequences of the nation’s current iron-ore “rush”, which has been bearing down most heavily on the predominantly Adivasi regions of Orissa, Jharkhand and Chhattisgarh. The newspaper concluded that mostly foreign enterprises were being welcomed

not because of India's requirements for its own internal growth. Rather it was due to the interventions of global steel manufacturers, thirsting for cheap raw materials to feed their offshore and onshore plants. Warned the newspaper: “[D]omestic demand will have to rise to over 13% every year from today to 2020, in order to absorb the projected output.” If all the deals now on the table were to materialise, “the country’s iron ore could be exhausted in just fifty years”, the report said.¹¹ While it’s highly unlikely that all the mining projects now on the drawing board in India will make it to production, this will not spare hundreds of rural communities from further incursions on their land. Within two generations, numerous sustainable, and already fragile, livelihoods would have been sacrificed. And India as a whole would have lost too.

Where Not to Go?

Indigenous peoples are the custodians of territories under which are some of the richest ores found on the planet. Their territories host the majority of reserves and resources currently targeted by companies and governments and many of these are also protected areas and biosphere reserves. The UN General Assembly will soon consider for adoption and ratification the draft text of a “Declaration on the Rights of Indigenous Peoples”. If accepted as a final declaration, the doors will inch open to a measure for which indigenous peoples have been struggling for many years. It affirms both their rights to self-determination and “individual and collective land and resource rights”. States which ratify are bound to “consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources...”. Canada and Russia voted against the draft, while Argentina, Ghana and the Philippines were among the heavily mineralised states, hosting a significant number of First Peoples, which abstained.¹² Whatever the outcome of the UN deliberations, the concept of “Fully Informed Prior

Consent” (FIPC) has already become central to current and putative negotiations between companies, governments and communities over access to minerals on their territories. To date, the minerals industry has almost universally failed to recognise this right. But there are few other issues like this one that strike so directly at the heart of contemporary debates around self-empowerment, the implementation of democracy and ultimately the sustainability of our planet.

Who Should Do the Mining?

The majority of those who do our mining are not, as might be thought, employed by multinational corporations. Instead, they comprise millions of men and women — a large number of the indigenous people themselves — whose tasks range from sluicing diamonds from tropical rivers in Latin America, to undertaking large cooperative tin mining operations in Bolivia, and hewing and hauling building materials in some of the most dangerous places on earth, notably India. Allegations against this so-called “artisanal and small mining sector” occasionally hit the headlines in the shape of accusations that they are behind the peddling of “blood” diamonds from west and central Africa, or that they are poisoning themselves and the environment by burning mercury to extract gold. In comparison we learn hardly anything about the lives of millions of stone breakers in South Asia or those who toil down thousands of illegal coal pits in China. All of them are trying to make a living, but many are also indirectly (if unwittingly) displacing unionised miners from their jobs since increasing numbers of casual workers are now being sub-contracted to big mining companies in order to cut costs. It’s impossible to tell how much global mineral production can currently be ascribed to small-scale miners. But what surely cannot be denied is that the potential for democratic self-organisation within thousands of mining communities is currently being squandered. It’s one of the least visible but most insidious results of the inexorable concentration of power — both financial and political — in the hands of the world’s Big Miners.

At the end of the day, and after weighing the human and environmental consequences of that reality, we may be driven to one overwhelming conclusion: that decisions over the what, when, where, how and by whom of extracting irreplaceable mineral resources must no longer be entrusted to “the industry”. We rise up in alarm at the prospect of our rivers, lakes and oceans being privatised. But there is an equally compelling case to declare that the world’s minerals are also the common heritage of humankind. ■

*(This article is based on the introductory chapter to the author’s book, *Rocks and Hard Places: The Globalization of Mining*, published by Zed Books in June 2007 and available from Madhyam International, 148 Maitri Apartments, Plot 28, Indraprastha Extension, Patparganj, Delhi-110092; Tel/fax: (91) 11 2224 3248; Email:madhyambooks@vsnl.net)*

FOOTNOTES

1. Moody, R “Plunder: Presented by a global network of people opposed to the activities of the RTZ corporation” People against RTZ and its Subsidiaries (Partizans) and Campaign Against Foreign Control of Aoetearoa/New Zealand, London and Christchurch (NZ), 1991
2. The Global Mining Initiative (GMI) was the brainchild of Rio Tinto’s chairman, Sir Robert Wilson. By 1998, his company was certainly the most heavily criticised of all global miners; its standing had suffered through a wave of disinvestments by local authority pension funds (over its key role as a uranium producer) during the 1980s, followed by constant attacks from indigenous communities in the 1990s and (almost the straw that broke this particular camel’s back) the decision in 1997 by the global mineworkers’ union, the ICEM, to ally itself with the UK “dissident” shareholders group, Partizans. Wilson gathered about him seven other corporate mining leaders to forge a three-pronged attack on the industry opposition — the GMI. The first of these was the launch of the Mining, Minerals and Sustainable Development initiative (MMSD), put under the aegis of leading London NGO, the International Institute for Environment and Development. The second phase was to be the presentation of the MMSD final report just as a new industry body, the International Council on Mining and Metals (ICMM), was founded (also based in London). Finally the ICMM would go, replete in its new clothers, to the WWSD in Johannesburg in late 2002, where it would propagate the virtues of “tri-sectoral” partnerships between industry, government and “civil society”. (Today virtually all global mining companies are members of the organisation.)
3. “Brazilians invade company town of iron ore mine CVRD” Associated Press, October 18, 2006

4. "Environment Canada flings door wide open to toxic waste dumping in Canada's lakes" Press release, MiningWatch Canada, October 24, 2006
 5. "Finished Business - Jabiluka goes to ground" *Sydney Morning Herald*, April 29, 2006
 6. "Rio Tinto's latest fall from grace" London Calling, Nostromo Research, London, October 28, 2006
 7. Obviously mineral demand runs in cycles. During periods of major conflict, demand for ferrous and non-ferrous metals and strategic minerals booms; during times of economic depression, it slumps
 8. On mining the Arctic see: Howden D and Holst B "Race for the Arctic" *The Independent*, London, January 5, 2005; on mining the moon, see: Interfax News Service, Russia, January 5, 2005; on deep sea mining, see: *Mining Journal*, London, February 27, 2006, and "Riches are calling from deep under the ocean" *Toronto Globe and Mail*, May 24, 2006
 9. Scientists at the Massachusetts Institute of Technology in 2006 claimed they had developed an electrolytic process to deliver "carbon-free" iron, whose rates of productivity could reach 10 times that of aluminium. See: "New MIT Technique Eliminates Greenhouse Gases for Iron Production" Press statement, MIT, Boston, September 13, 2006
 10. *Mining Journal*, London, September 29, 2006
 11. *The Financial Express*, Mumbai, July 15, 2006
 12. "Human Rights Council Adopts Text for Indigenous Rights" Press statement, United Nations Human Rights Council, July 6, 2006. To its credit the Indian government voted in favour of the resolution. However, continued forcible relocations in many parts of eastern India, accompanied by abuses of the public hearing process, grossly belie the intent
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‘Agya, What do You Mean by Development?’

BY FELIX PADEL AND SAMARENDRA DAS

The pursuit of aluminium in Orissa has resulted in cultural genocide.

**Displacement has destroyed the tribal society’s structure while
pollution from factories has rendered areas uncultivable, snatching
away the residents’ main source of livelihood.**

**The fact that the arms industry is one of the driving forces behind
aluminium production makes the indifference with which locals are
treated even more sinister**

A new wave of industrialisation, imposed under the guise of development, growth and poverty alleviation, is threatening to displace hundreds of villages in Orissa and other neighbouring states. These areas, slotted as the ideal locations for mining, metal, dam and power projects, are home to indigenous people, who are being largely ignored as unavoidable casualties in the race towards progress.

In India, industrialisation has already displaced an estimated 60 million villagers in the past 60 years. Two million of those dispossessed lived in Orissa, and a shocking 75 percent comprised Adivasis and Dalits.¹ Very few of them have been adequately compensated; most report no improvement in their standard of living though such displacement is unabashedly presented as a precursor to development. In fact, as the displaced point out, the projects have achieved precisely the opposite result. The poverty that they have been reduced to is just as painful as the erosion of their cultural values and traditions, which invariably accompanies the forced separation from the land that they and their forefathers cultivated.

How can one understand the processes involved? Each of us has an area of expertise, but to comprehend what is happening, one should opt for a multi-disciplinary approach. In anthropology, understanding comes from assimilating the viewpoints of the people concerned, as expressed in their own words. Yet few of us listen to what the Adivasis have to say. We have seen thousands of Adivasis being transported to meetings around India, yet completely sidelined in the road shows. They are rarely asked to give their views, they simply sit in dignified silence during the meetings, and return to their villages unhappy about the confusion among the very people who claim to offer help.

Cultural Genocide

The present industrialisation process may boost India's growth rate, but its impact on Adivasis amounts to cultural genocide. Tribal culture exists through the relationships dictated by social structures and it's this binding fabric that displacement tears down.

The economic system, along with the tradition of cultivation, is destroyed as people are removed from their land and can no longer work as farmers. The kinship system is fractured, as social relations traditionally depend on a

village's layout, and the spatial distance from each person's kin living in neighbouring villages. A mining company's entry into an area invariably splits people into those for and against. In every area where a project causes displacement, there is tension between those who accept compensation and move from their homes, and those who oppose the plan.

The religious system is undermined as sacred village sites are removed, and venerated mountains mined away. At Kinari village, from where people were shifted to Vedantanagar to make way for the Lanjigarh refinery, a woman who had seen bulldozers flattening her village and its central Earth shrine, said to us days after the forced move: "Even our gods are destroyed." For her, losing her land means she can never grow her own food again. All the values attached to the customary way in which people supported themselves have thus become redundant.

The material culture, which helps people make most of what they have, is destroyed as soon as the houses people built from local earth and wood are knocked down to be replaced with concrete structures. But most of all, it's the power structure that is completely transformed. From being in control of their area and its resources, people find themselves at the bottom of the extremely hierarchical structures of power and authority.

Corruption plays a role in the murky process by which entire villages are given away for projects, and even in its underhand avatar, has a strong negative impact on the society as a whole. It polarises people, making the elite class richer, and their "conspicuous consumption" becomes more wasteful and tasteless than ever. In a front-page article on February 21, 2007, the Oriya daily *Sambad* mentions a new scandal about a coal mine near Talcher. The report suggests that kickbacks of Rs 200 crores (about 45 million dollars) were given to secure a single coal mining lease even as the issue of Tangarapada, Niyamgiri and Khandadharo mining leases remain unresolved. Tangarapada, incidentally, is a chromite deposit in Jajpur district that was leased to Jindal

Strips. However, the Orissa High Court criticised the deal stating that the state stands to lose 4,500 million dollars if the mine goes ahead as planned.² Niyamgiri is Orissa's most controversial bauxite deposit straddling Kalahandi and Rayagada, while Khandadharo is a forest- and iron-ore rich mountain area of Keonjhar.

Whose Wealth is It Anyway?

Orissa's immense riches have been a source of conflict, with the proponents of 'development' mostly getting their way over the tribal communities who have lived in the area for years. For instance, Orissa has India's biggest bauxite mine in Panchpat Mali, run by NALCO. It also boasts of two of the country's seven working refineries (NALCO's at Damanjodi and Vedanta's newly completed one at Lanjigarh), and two of its six smelters (NALCO's at Angul and Indal's at Hirakud). Many projects are in the offing, such as refineries, with Utkal's being constructed now in Kashipur. Several more smelters are planned, with Vedanta's in Jharsuguda district already under construction and Hindalco's in Sambalpur at an advanced planning stage.

It's worth recalling here that British geologists originally conceived of this whole scheme, complete with dams to power the factories, rail links and port facilities, in the 1920s. According to them, the bauxite from Orissa's mountains was "so good that, if large quantities exist, the tract must prove important when the [Raipur-Vizag] railway is constructed... This importance is heightened by the existence of possible hydro-electric sites in the adjacent Madras (Jaipur State) area to the south-west, and to the fact that a harbour is to be built at Vizagapatnam."³ Besides, it was the geologist TL Walker who named the base rock of Orissa's bauxite-capped mountains Khondalite, after the Konds, Orissa's largest tribe, who live all around these mountains and consider them sacred entities.⁴

Economists view Orissa's famed mineral wealth as unutilised resources.

But Adivasis look at their mineral-rich mountains as sources of life that nourish the land's fertility. If trees are cut down and mountains mined, large areas of Orissa will dry out and lose their fertility fast — something that is already visible around Panchpat Mali and Damanjodi.

Bhagavan Majhi, a Kond leader of the Kashipur Movement, expresses similar sentiments about the Utkal Alumina project. After the Movement stalled it for 12 years, Utkal restarted the construction of its refinery in 2006. An area of several square kilometres is being reduced to bare earth right next to Bhagavan Majhi's village of Kuchepadar. Hills are being gouged out and flattened by dozer-rippers. Two villages on the refinery site, Ramibeda and Kendukhanti, have been erased from existence. Their inhabitants have been moved to a colony beside the work site and now exist only as a captive labour pool.

Ramibeda's strongest leader and biggest landowner, an elder named Mangta Majhi, died after police torture in 1998. It's believed that the cops came at night in an Utkal company vehicle, called him down from his *mancha* (raised platform) from where he was guarding his chilli-crop, beat him with rifle butts, tied him up with two Dalits from Kendukhanti, and kept him in custody for some weeks. When he was released, his face was disfigured by beating, and he died a few days later.⁵

Today, Utkal's plan is to mine 195 million tonnes of bauxite from the top of the local mountain Bapla Mali, which people from three different tribes spread over a large area hold as sacred. Utkal, meanwhile, estimates that the deposit will be finished within 30 years. Their work, therefore, involves the permanent removal of a non-renewable resource. In the bargain, however, the flow of Bapla Mali's numerous perennial streams will be adversely affected.⁶

The police, who repeatedly attacked Kuchepadar, were banned from entering the village for some years by its inhabitants. During a confrontation,

Bhagavan Majhi spoke to a senior officer. He recalls, “I put a question to the SP. I asked him, ‘Sir, what do you mean by development? (*Agya, unnoti boile kono?*) Can you call displacing people development? The people, for whom development is meant, should reap its benefits. After them, the succeeding generations should enjoy its benefits. That is development. It should not be merely to cater to the greed of a few officials.’ Development is not destroying mountains that are millions of years old. If the government has decided that it needs alumina, and has to mine bauxite, they should give us land as replacement. As Adivasis, we are cultivators. We cannot live without land.”⁷

It’s clear that the pursuit of aluminium results in cultural genocide in two ways. One, displacement directly destroys the social structure of the tribal society. Second, the factories themselves will affect the environment so adversely that large areas of west Orissa will become dry and uncultivable in the near future. Bauxite mining damages the capacity of mountains to retain water, leading to the drying up of water bodies. Besides, the factories themselves consume huge amounts of water and also pollute the environment. The depletion of forests, and the factory fumes, together drastically reduce rainfall, a fact that the Advasi understands as well as any scientist.

In a wider sense, excessive aluminium production results in cultural genocide because of the “resource curse”, which denotes the extreme level of financial manipulation and exploitation that areas rich in resources are subjected to. The aluminium industry undermined several countries’ independence economically and politically right from the start. The resource curse is unfolding in Orissa, where values have become corrupt and a culture of “briberisation” is evident. Cultural genocide also results from the link between aluminium and the arms industry. The connection with war is little known, but aluminium is one of the four metals classified as ‘strategic’ because of its importance in manufacturing arms. This is the reason why Abdul Kalam, a nuclear scientist who at the time of writing was the President of India,

devotes several pages of his book *India 2020* to explain the importance of aluminium and its role in achieving his vision for India as a “developed country”.⁸ Both these points are discussed in detail later in this paper.

Resistance and Resettlement

It's possible to pinpoint January 2, 2006, as the date when tribal resistance to displacement strengthened (also see page 178). That was the day of the Kalinga Nagar killings, when the police fired at those protesting against the construction of a Tata steel plant in their land, killing 12 Adivasis. The Visthapan Virodhi Janamanch (People's Platform against Displacement) has kept up a high-profile blockade in Kalinga Nagar since then.

Another Tata steel plant planned in Dantewada district of Chhattisgarh faces similar resistance from Adivasis who say their “consent” was not given freely. Their protests come in the backdrop of a manufactured civil war, which started with the government-sponsored creation of the Salwa Judum (Peace March) in mid-2005. The aim of this war is not just to exterminate Maoists, but also to implement industrialisation plans that have faced sustained opposition from tribal society. This has resulted in the forced displacement of at least 80,000 Adivasis in Dantewada district, with human rights abuses and conditions of horror and squalor that beggar the imagination.⁹ In West Bengal, where blood baths have followed land acquisition plans, the High Court recently gave a strong judgement about the illegality of Tata's land acquisitions at Singur.

There is talk of a generous new Resettlement and Rehabilitation (R&R) policy at the all-India level, but what do the promised R&R packages actually consist of? Essentially, cash for the minority with land deeds, a new concrete house in a colony by the work site, and promises of employment — promises that in the past have rarely, if ever, been kept.¹⁰ What the packages hardly ever include is land to replace what has been taken away from the displaced,

even though international experts agree this is a crucial issue. The World Commission on Dams recommended including a provision for this, but the suggestion was rejected both at the central and state levels. Similarly, the Extractive Industries Review, an independent review commissioned by the World Bank which recommended that the Bank stop funding coal and mining projects in developing countries and instead concentrate on renewable energy sources, has also been ignored.¹¹

Bhagavan places on record the many unanswered questions surrounding the land issue: “We have sought an explanation from the government about the people who have been displaced in the name of development. How many have been properly rehabilitated? You have not provided them with jobs, you have not rehabilitated them at all. How can you again displace more people? Where will you relocate them and what jobs will you give them? You tell us first. The government has failed to answer our questions. Our fundamental question is this: how can we survive if our land is taken away? We are tribal farmers. We are earthworms (*matiro pok*). Like fishes that die when taken out of water, a cultivator dies when his land is taken away from him. So we won’t leave our land.”

The key recommendation of R&R experts and the World Bank’s Resettlement policy is that the quality of life of the displaced people should improve. However, this has almost never happened. Companies hide this reality by bandying about such fine-sounding terms as Corporate Social Responsibility (CSR) and advertising a ‘missionary’ model of charity, consisting of standardised programmes that centre on education, health, sports and Self-Help Groups. All these programmes betray a complete lack of understanding of tribal culture.¹²

Vedanta Resources devotes 60 pages of its Annual General Report for 2006 to the “good works” done as part of its CSR programme, with glossy colour photos of smiling tribals who have been “civilised” through such

programmes. This is a gross distortion of the real situation. Several hundred people have been killed in work accidents at Vedanta's Lanjigarh refinery and it's well known locally that labourers are often not paid for their work and have to beg for jobs.

Adverse Impact

Aluminium is one of the most energy intensive of industries. Refining a metric tonne of alumina requires an average of 250 kilowatt hours (kwh) of electricity, and smelting a tonne of aluminium needs at least 1,300 kwh. The Wuppertal Institute in Germany estimates that the amount of water needed to produce one tonne of aluminium is no less than 1,378 tonnes (for steel, a comparable amount is 44 tonnes of water, also a huge quantity). Altogether, a tonne of aluminium produces 4-8 tonnes of toxic red mud as solid waste (from refineries) and 13.1 tonnes of carbon dioxide (mainly from smelters) while the overall "ecological rucksack" of "abiotic material" is 85 tonnes.¹³ In simple terms, this means that the negative impact of producing aluminium is around 85 times its positive value. A recent UK government report notes that the externality costs of carbon emissions alone stand at 85 dollars per tonne, giving over 1,000 dollars per tonne of aluminum.¹⁴

The process of manufacturing aluminium from bauxite involves four stages that have a negative impact on society and environment: bauxite mining; alumina refining; aluminium smelting; and generation of electricity to run all three aforementioned operations. Mega-dams for hydropower and coal-fired power stations are built to meet this demand. By extension, the several hundred thousand people displaced by the reservoirs in Orissa and by coal mining, both resources required for power projects, are also casualties of the aluminium industry.

The externality costs of dams, refineries and smelters are relatively well documented. By contrast, the extent to which the fertility of Orissa's land is

lost because of the mining of mountain-top bauxite deposits is little understood. Bauxite has a strong water-retaining capacity. It's porous and acts as a sponge, and holds the monsoon rain throughout the year, releasing it gradually. Mining it severely reduces the mountain's water-retaining capacity. This aspect has been studied way too little, presumably because aluminium companies sponsor most of the scientific studies on bauxite, and do not encourage research that reveals the industry's negative effects. The kind of distortion involved is revealed in recent reports that expose the gross manipulation of scientific evidence on climate change.¹⁵

A careful study of the aluminium industry's history shows that aluminium is actually sold for less than the cost of its production. Refineries and smelters can only make a profit if they receive huge subsidies in electricity, water and transport, as well as tax rebates. India's last independent energy audit of the aluminium industry, in 1988, explicitly mentions this.¹⁶ Companies themselves exclude certain costs from their calculations, especially the price paid by the environment and society. These costs are passed on to the host government, and are eventually borne by the least powerful section of the population.

Mining and metal production also head the list of industries being outsourced to India. Europe and the US have been closing down aluminium plants as electricity prices rise and environmental laws become more stringent. Alcan closed its last UK refinery in 2003 (Burntisland), just as it finalised plans to build a refinery in Kashipur. It might appear as if Europe is reducing its carbon emissions slightly by this outsourcing, but this reduction is illusory.¹⁷ Aluminium used in Europe still produces massive carbon emissions, even if these are now polluting India and not Europe.

Resource Curse

The 'resource curse' affects many areas of the world that are rich in natural

resources. In these parts, massive projects are started to exploit the riches, the local population is promised grand wealth in return, and inevitably all that follows is a terrible cycle of exploitation, poverty and violence.¹⁸ Nigeria's oil delta, Sierra Leone, Angola and many other countries in Africa, South America and Asia exemplify this pattern at its worst. The oil companies' behaviour in Nigeria, for instance, demonstrates the dangers lying in store for Orissa. Shell and other such companies make vast profits at the cost of people's lives while also wrecking the environment. Those protesting are killed by the security forces trying to stamp out opposition. One of the most famous deaths was that of Ken Saro Wiwa, hanged with eight other Ogonis on a false murder charge in 1995, against world condemnation, but with Shell connivance.¹⁹

The aluminium industry has in effect controlled the economy of several countries from the moment they gained Independence. Guyana's independence was delayed from 1957 to 1966, during which time the British permitted limited self-government in the country. During those years, Cheddi Jagan was elected into power three times on the promise that he would increase the bauxite royalty to a reasonable level and nationalise Alcan's subsidiary company. In return, the MI6 and CIA tried to destabilise the country and when the industry was finally nationalised in 1970, there was considerable pressure from the World Bank to compensate Alcan.²⁰

In Jamaica, the US ambassador warned Michael Manley in 1972 that if he made boosting the bauxite royalty and nationalising the industry an election issue, it could result in him being overthrown. This was not an idle threat as the CIA supported Pinochet's coup in Chile the next year, on behalf of Anaconda and Kennecott copper companies and Pepsicola. Manley, however, went ahead with his plans in 1974, and nationalised a 51 percent stake in his country's bauxite mines. The same year, he formed the International Bauxite Association of bauxite-producing countries (IBA),

which for a while negotiated a higher price for bauxite with aluminium companies, by making the price of the raw material — in this case bauxite — 7.5 percent of the price of the finished product, the aluminium ingots. Compare this to the London Metal Exchange's aluminium price, which is 0.4 percent of that of the ingot, also India's bauxite royalty rate since 2004.²¹

One of the world's biggest and worst dams was built on the Volta River in Ghana to power a huge smelter run by Kaiser Aluminum, through the subsidiary it set up, VALCO (Volta Aluminium Company). It displaced at least 80,000 people, obliterated 740 villages and spread river blindness and schistosomiasis, making an estimated 70,000 people blind.²² The main agreement between the company and Ghana's first President Nkrumah was manipulated to Kaiser's advantage, with the World Bank acting as the company's accomplice. The CIA tried to destabilise the country between 1957 and 1966, when Nkrumah was overthrown, one month after the dam and smelter were opened.

The creation of Special Economic Zones (SEZs), now a hot topic in India, is not a new phenomenon either. There is a long history of multinational companies making use of industrial enclaves in regions that are resource-rich but kept poor. The aluminium industry made its profits in Guyana, Jamaica, Ghana, Guinea and many other places only because of subsidised enclaves. These countries' history of corporate exploitation show what lies in store for Orissa from upcoming aluminium plants. Vedanta's and Hindalco's smelters planned in north Orissa are located in SEZs. The SEZ Act (2005) offers outrageous subsidies in electricity, water and land prices comparable to the VALCO Master Agreement in Ghana, and negates India's legislation that protects labour rights, land rights and the environment.²³

A similar resource curse caused by the aluminium industry is evident in parts of Australia and Brazil. In north Australia, the Alcan and Alcoa projects in Cape York and Arnhem Land displaced Aborigines while the Tucurui dam

in Brazil resulted in the displacement of indigenous people.²⁴ The same story unfolds in parts of central India affected by mining, a concern that was voiced by the then President of India KR Narayanan on the eve of Republic Day on January 25, 2001. Alluding to the Maikanch police killings that had happened five weeks before, he said, “The mining that is taking place in the forest areas is threatening the livelihood and survival of many tribes.... Let it not be said by future generations that the Indian Republic has been built on the destruction of the green earth and the innocent tribals who have been living there for centuries....”

Fuelling War

One of the main, though hidden, forces driving aluminium production is the arms industry. Bhagavan Majhi makes this connection when he asks where Bapla Mali’s bauxite will go: “If they need it so badly, they need to tell us why they need it. How many missiles will our bauxite be used for? What bombs will you make? How many military aeroplanes? You must give us a complete account.”

The connection with war goes back to aluminium’s first royal patrons, Napoleon III of France and Kaiser Wilhelm of Germany. Aluminium’s explosive properties were discovered in 1901, when ammonal and thermite were invented, and the metal has indeed changed the course of world history.

There is a connection between the reason why aluminium plants require huge amounts of electricity and the metal’s use in arms. Smelters need the power supply to split aluminium from its bonding with oxygen, in molecules of aluminium oxide. Thermite reverses this process; a bomb is packed with iron oxide and aluminium powder. When the fuse ignites, the aluminium leaps to the high temperature of its “heat of formation” to re-bond with oxygen, making the explosion huge. Thermite was first used in the ‘Mills bomb’ hand grenades, 70,000 of which Britain produced in the First World

War. These killed at least 70,000 soldiers and the inventor, Sir William Mills, was knighted after the war. During the First World War, aluminium companies realised that their fortunes were linked to the production of arms and ammunition. About 90 percent of Alcoa's production was used for making arms and, as the Aluminum Corporation of America's standard biography observes, "war was good to Alcoa".²⁵

In the 1930s, aluminium became the basis of aircraft design, and as Germany, Britain and the US started producing thousands of war-planes, aluminium companies made unprecedented profits. Aluminium still forms 80 percent of the unladen weight of a jumbo-jet and most other aircraft, often through metal matrix composites, fused with plastics.²⁶

During the Second World War, aluminium was used as a prime ingredient in fire bombs, including napalm, which killed tens of thousands of civilians in air raids over Germany and Japan. In fact, the main ores for war metals are all found in Orissa — iron, chromite and manganese for steel, bauxite, and uranium. Hitler was apparently well aware of Orissa's iron and bauxite deposits, one reason why Japanese bombs were dropped on Orissa's ports.²⁷ One of the main purposes of America's mega-dams was also to power aluminium smelters. "Electricity from the big Western dams helped to win the Second World War", as it was used for making the aluminium that shaped arms and aircraft.²⁸

After the war, profits from aluminium plummeted, until it was spectacularly revived by the Korean War, the Vietnam War and a succession of US-instigated wars. Aluminium lies "at the very core of the military-industry complex" set up by the then US President Dwight D Eisenhower during the Korean War. He left his office in 1961 with a warning: "We have been compelled to create a permanent arms industry of vast proportions."²⁹

The US started to stockpile the metal in 1950. As an American aluminium

expert wrote in a pamphlet in 1951: “Aluminum has become the most important single bulk material of modern warfare. No fighting is possible, and no war can be carried to a successful conclusion today, without using and destroying vast quantities of aluminum.... Aluminum is strategic in defence. Aluminum makes fighter and transport planes possible. Aluminum is needed in atomic weapons, both in their manufacture and in their delivery... Aluminum, and great quantities of it, spell the difference between victory and defeat....”³⁰

Every US missile fired in Iraq or Afghanistan uses aluminium in a combination of explosive mechanisms, shell casings and propellants. The “daisy cutter” bombs used in “carpet bombing” exploit aluminium’s explosive potential, as do nuclear missiles, including the 30,000 nuclear warheads in the US. Between the two World Wars, there was widespread understanding that arms companies played a crucial role behind the scenes in promoting wars. The League of Nations declared in 1927 that “the manufacture by private enterprise of munitions and implements of war is open to grave objection”. But vested interests were too strong. At the League’s Conference on Disarmament at Geneva in 1927, an American lobbyist was paid 27,000 dollars to carry out six weeks’ propaganda for arms companies, which scuppered any agreement. The arms industry then, as now, was at the centre of the economies of the most powerful countries. As a British commentator noted after the complete failure of this conference, “War is not only terrible, but is a terribly profitable thing.”³¹ Behind the arms companies stand the mining companies and metals traders. Every shell used in the US-led wars has to be replaced by new shells, made from newly mined minerals.

Manufacturing Consent

If one were to look at the question of sustainability, there is no doubt that the tribal communities that are being dislocated hold most of the answers. They take very little from nature and waste almost nothing. Therefore, it’s

no surprise that Bhagavan Majhi and others wonder whether the planned mining projects represent development at all, considering they will last only about 30 years, at such high costs to the local people and the environment.

At conferences that promote aluminium, the view expressed is that India is “backward” as its per capita aluminium consumption is low per year: less than one kilogramme per year, compared to the 15-30 kilos in ‘developed’ countries. Yet, if one looks at the high cost of manufacturing aluminium and the dire effect it has on climate change, India’s low consumption should be viewed as the more developed alternative. Besides, medical research widely agrees that tiny yet significant quantities of aluminium are constantly leaching into the human body from packaging and water supply. These deposits cannot be excreted and are collected in the brain, and it has even been linked to Alzheimer’s disease.³²

Ironically, aluminium claims to be “green”, based on two points: one, that it can be recycled, and two, it reduces the weight of cars, thereby cutting down the use of fuel. But these benefits are misleading and in fact do not count when environmental costs are considered.³³ The social costs involved in running aluminium factories, and the amount of fuel these units require, actually mandate reduced extraction and consumption of the metal.

An important point to be noted is that tribal people, being less used to compartmentalising ideas, are able to immediately see the connection between Bapla Mali’s bauxite and the bombs and wars that “consume vast quantities of aluminium”. The questions that locals such as Bhagavan Majhi ask need to be given answers and there should be a Cost Benefit Analysis of aluminium projects. What are the environmental and social costs of NALCO’s existing Orissa projects? As each tonne of the metal produced takes up 1,378 tonnes of water, to what extent will it leave the land around Damanjodi barren? The answers to these questions represent the other side of the big profits that the company makes as it increases its aluminium exports.

This leads us to the most important question: who is actually controlling the policy of industrialisation? Orissa is the most highly indebted state in India due to the various infrastructure projects in the state that the World Bank and other organisations have lent money for. These loans create tremendous pressure on the government as repayment has to be made in foreign exchange. Besides, the Bank's conditions, such as those demanding removal of all legislation that curtails corporate power, have to be met. As a result, SEZs are being created and for "improving the climate for foreign investment", and the safeguards in Indian Law and the Constitution that protect land rights, labour rights and the environment are being dismantled.

Orissa's main policies and financial decisions are now being decided from London and Washington, in a hierarchy of power that is unknown to the people who have been affected by the projects. A letter from the policy director of the British Government's Department for International Development (DFID), to the person overseeing the Extractives Industries Review in 2003, shows how this power is exercised. The director warns in the letter that there is a "real risk" that the WB Board will reject the report [which indeed did happen], unless certain basic changes are made.³⁴ The letter states, "The issue of Prior Informed Consent [note how the word 'free' is not used with consent] needs some clarification. It is not clear whether consent is a blanket requirement over the whole project.... To what extent is the Bank or Government prepared to veto a national development package on the basis of disagreement from an individual?" The last question fundamentally misrepresents the issue of tribal communities' land rights by confusing it with the rights of an individual. Here is a representative of the British government expressing exasperation at the idea that tribal people in India or any other country should have a blanket veto on a mining project taking over their land — a mindset that is astonishingly similar to the colonial attitudes the East India Company flaunted before India's independence.

When the idea of Free Prior Informed Consent is discarded, it basically validates the occurrences in Orissa, where ‘consent’ is manufactured in public hearings that are manipulated by heavy police presence and threats. It’s also the reason why villagers affected by hundreds of projects in Orissa and neighbouring states are forced to give their ‘consent’ and part with their land, though the non-alienability of tribal land is guaranteed by the 5th Schedule of India’s Constitution as the basic right of Adivasis.

The Environment Impact Assessments of projects are not taken seriously either; they are inevitably delayed and the methodology used is questionable. Social Impact Assessments hardly exist, and when they do, they are conducted by officials who have no training. There is no recognition of the fact that the projects come at a tremendous cost to India’s cultural heritage.³⁵ What is Indian culture, and where is located? The traditions of Indian music, religion and craft are now so heavily marketed or politicised that their essence is often contrived and artificial, in sharp contrast to the unbroken traditions of village society. This was Indian culture as Mahatma Gandhi understood it. Cultivating the land and collecting plants from the forest lie at the heart of tribal culture, and when villages are displaced, this is also a tradition that is lost. Yet, compounding the cultural genocide, there has been a constant process of censoring and sidelining Adivasi voices and denying the existence of their knowledge, as Bhagavan Majhi and others point out.³⁶ He says, “We want permanent development. Provide us with irrigation for our lands. Give us hospitals. Give us medicines. Give us schools and teachers. Provide us with land and forest. We don’t need the company. Dislodge the company. We have been repeatedly saying this for the past 13 years. But the government is just not listening to us.”

India is already a highly developed country, and was before European companies ever reached it. Protection of people’s basic rights and protection of the environment for future generations are the hallmarks of a developed

society. Yet, the laws ensuring this protection, which developed in a long and painful process in the 60 years after independence, are being dismantled because of pressure from abroad. The industries that are being imposed on the local population are not sustainable and their activities certainly do not ensure development in any real sense of the word.■

FOOTNOTES

1. Fernandes 2006 pp 110-111
2. *The Telegraph*, December 7, 2004: 'Opposition Takes Naveen Case to Governor'
3. Fox 1932: *Bauxite and Aluminous Laterite*, p 136 (previous editions: *Bauxite and Aluminous Occurrences of India*, Calcutta: GSI Memoirs 1923, and Bauxite 1927)
4. Fox 1932 p 135
5. The story of Mangta's death has been neglected in writings about the Kashipur movement. We have heard first-hand accounts of it from his son and the Kendukhundi men as well as other witnesses
6. The three tribes living around Bapla Mali are Kond, Jhoria and Pengo. The plan is to mine approximately six million tonnes of bauxite a year, similar to what NALCO is doing on Panchpat Mali
7. SP is the Superintendent of Police. This quotation, and others from Bhagavan Majhi given later in the paper, is from the documentary film *Wira Pdika: Matiro Puko, Company Loko* by Amarendra and Samarendra Das, which gives Orissa's Adivasis' response to mining in their own voices, without any commentary
8. Kalam & Rajan 1998: *India 2020: A Vision for the New Millennium*. Penguin
9. Human Rights Forum December 2006: 'Death, displacement and deprivation. The war in Dantewara: a report'. Hyderabad
10. Fernandes 2006, Mathur 2006
11. Fernandes 2006 p109
12. Fauset 2006
13. Ritthoff et al 2002 p 49. It's estimated that when a tonne of aluminium is produced, 5.6 tonnes of carbon dioxide are emitted if the smelter is hydro-powered from a dam; the emissions reach up to 20.6 tonnes if it's powered by a captive coal-fired power station (Richard Cowen: Geology, History and People, chapter 14, *Cartels and the Aluminium Industry*, www.geology.ucdavis.edu/~cowen/~GEL115/115CH14aluminium.html). Most of India's smelters apparently use a combination of electricity from dams and from their own captive coal-fired power stations, which they build to ensure a constant supply of

electricity as well as to keep prices low. These statistics are from the International Aluminium Institute's website (www.world-aluminium.org), plus the IAI's 'The Aluminium Industry's sustainability report' [no date], IAI's Aluminium Applications and Society: Automotive, Paper 1, May 2000

14. Nicholas Stern, 2006. A previous report by the Department of Environment of the UK government estimated 56-223 dollars per tonne of carbon dioxide (Andrew Simms in Ann Pettifor ed, *Real World Environmental Outlook*, London: Palgrave 2003 p 66)
15. Goldberg 2007, Monbiot 2006, Simms 2005, J Roberts & D McLean 1976 pp 86-9
16. BICP Dec 1988, Energy Audit of Aluminium Industry
17. Haberl et al 2006
18. Ross 1999, 2001
19. Rowell et al, 2005
20. Graham pp 20-23 & 93-101; Cheddi Jagan 1975: *The West on Trial: The Fight for Guyana's Freedom*; Marcus Colchester 1997: *Guyana: Fragile Frontier* (London: Latin American Bureau with the World Rainforest Movement); Mark Curtis 2003 Ch 17
21. Girvan 1971: *Foreign Capital and Economic Underdevelopment in Jamaica*; Graham p 259 ff; Blum 2003 p 263; Holloway 1988 p 73
22. McCully 1996 pp 265-6, Caufield 1996 pp 1979-83, Gitlitz 1993 Ch 4 on Ghana's Volta dam
23. Graham 1982 pp 21-22, 117-188. The complex twists and turns of these negotiations for Ghana's dam and smelter forms a large part of Graham's book
24. J Roberts et al 1976, Gitlitz 1993
25. Graham p 20
26. Statistics from the International Aluminium Institute, London
27. Hitler's interest in Orissa's bauxite/aluminium and iron ore is outlined in an article in Oriya in *Samaj*, May 3, 2005 by Ajit Mahapatra who met one of Hitler's key metal experts, and the widow of another
28. Graham p 23
29. Graham p 79, Eisenhower quoted in Anthony Sampson 1977 p 103
30. Dewey Anderson 1951, *Aluminum for Defence and Prosperity*, Washington, US Public Affairs Institute, pp 3-5
31. Quotations from Sampson 1977, passim
32. Exley 2001
33. Research from the Massachusetts Institute of Technology shows that when the

emissions from aluminium production are taken into account, aluminium-intensive cars would only start emitting less than steel cars after being used for 15 years (Mathias 2003)

34. Sharon White to Professor Emil Salim, October 20, 2003

35. Mathur 2006 pp 46-48

36. Padel 1998, and testimony from several people interviewed in *Wira Pdika: Matiro Puko, Company Loko*

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No Man's Land

BY ALOK PRAKASH PUTUL

Bailadila's rich mineral resources have only brought suffering to its residents. Caught between an insensitive government that blatantly flouts rules to favour industrial houses, and steel companies that go back on their words, the area's tribal communities find themselves deprived of their homes and hopes

History is witness to the fact that Bastar is a region that has been exploited since time immemorial. But any historical account that ignores its residents' struggle against exploitation is inaccurate, and does a great disservice to the memory of martyrs, whose stories find a place in local folklore. Do these legends, such as the one about the Bhumkal rebellion in 1910, when the tribal community rose against the insensitive British, continue to inspire the people of Bastar even today? That question seems to be largely irrelevant now. As the government, the politicians and the industrial houses present a united front that does all the thinking for the people, the locals' own opinion no longer appears to be important.

Tribals make up about 70 percent of Bastar's population. They comprise 26.76 percent of the state Chhattisgarh's total population. Yet their voices can hardly be heard above the din of corporate houses and politicians, who are busy assuring the same tribal community that they are on the path to 'progress'. Tribals, they say, will be made literate, 'developed' and 'mainstreamed'. Such claims have both angered and frightened the tribal community. Their resentment is today simmering in Bastar, though the 'powers-to-be' would like to pretend that the path to 'development' is without hurdles.

A Cloak of Secrecy

The immediate source of the tribal's community anger can be traced to a Memorandum of Understanding (MoU) signed between the Chhattisgarh government and Tata Steel in June 2005. Under the MoU, Tata will set up a plant costing 10 thousand crore rupees, with a capacity of two million tonnes in the first stage, which will eventually go up to three million tonnes. Just a month later, in July 2005, the Chhattisgarh government signed an agreement with the Essar group, under which the corporate will set up a steel plant with a capacity of 1.6 million tonnes in the first stage and another 1.6 million tonnes afterwards.

That companies are coming by the dozen to Chhattisgarh to mine its mineral wealth is hardly surprising. The state is rich in natural resources, with abundant deposits of iron, gold, tin, diamonds, coal, uranium, bauxite, corundum, dolomite, copper, limestone and other minerals. It's estimated that the state has 35,000 million tonnes of coal, 2,336 million tonnes of iron ore, 3,580 million tonnes of limestone, 606 million tonnes of dolomite, 96 million tonnes of bauxite, and 29 million tonnes of cassiterite. With such bounty, Chhattisgarh accounts for over 13 percent of India's total mineral production, worth around Rs 4,000 crores a year. Most importantly, 23 percent of the country's iron-ore deposits are located here. The deposits in

Bailadila in Bastar are considered to be among the best in the world (also see page 124).

Bailadila, literally translated as the ‘Hump of the Ox’, has a mountain range with peaks that look like the humps that have given it its name. Spread across 14 deposits, this range houses a total of 3,000 million tonnes of iron ore, of which 1,200 million tonnes are classified as ‘high-grade’, according to a senior official at the National Mineral Development Corporation (NMDC). The official says that Bailadila is a name to reckon with in the world iron-ore market because of its high-grade iron ore. The hard, lumpy ore at the mining complex here has 66 percent iron content, without any sulphur and other deleterious material, excellent physical properties that make it ideal for manufacturing steel.

While the government cheered about the MoUs with Tata and Essar, the locals were curious about the agreements’ terms. How much land had been given to these two steel giants? Whose land was it? Would tribal land be confiscated? Would there be compensation, rehabilitation, or employment for the locals at these units? But no replies were forthcoming from the government on these issues.

MoUs have always been considered as public documents but a veil of secrecy hung over the government’s agreements with Tata and Essar. When the people demanded a copy of the MoUs under the Right to Information (RTI) Act, the answer they obtained was both shocking and surprising: it was stated that a condition in the MoU prevented the government from revealing it to a third party! Even the rival Congress party members — the Bharatiya Janata Party is in power in Chhattisgarh — couldn’t get a copy of the MoUs. The matter reached the Assembly, but when the elected representatives asked for the details, the government did not respond. The only conclusion to be drawn from the government’s silence was that the agreements had conditions that were unfavourable to the public. That indeed

was proved right when vignettes about the MoUs started leaking from government offices. The agreements had been signed with scant regard to all rules and regulations.

Land at What Cost?

Why was the government adamant about not breathing a word about the agreements? Perhaps one reason was the manner in which the land was virtually gifted to the companies, no questions asked. The government gave both the companies the right to choose land anywhere in the entire Bastar region at their own volition. For the sake of these companies, the Chhattisgarh government gladly overlooked a central government rule making it mandatory for a public hearing to be held before a plant is set up, after which a No Objection Certificate has to be obtained from the environment board. Bastar has reserve forest areas, but even then the government did not deem it necessary to enforce this rule.

Besides, while Chhattisgarh faces an electricity shortage, the government promised to provide the companies with the infrastructure for ensuring a steady electricity supply. The agreements do not mention whether such facilities can be extended to the public. In the MoUs, the state assured the companies that it would lease new iron-ore mines to them while also granting them the lease of the existing mines owned by the government. The companies also do not face any restriction on extract and export of iron ore for a good 99 years for which the agreement will be valid. This means that for almost a century, the companies will be able to sell and buy iron ore without bothering to even set up a processing plant here.

As if this was not enough, the government also took on the responsibility of providing water to the plant. Tata showed a requirement of 25 million gallons of water daily while Essar originally demanded 25 million gallons and then hiked it to 2.7 times more than that quantity. The agreements,

however, make no mention of a water treatment option at the plants. Anyone who has seen the rivers Shankhini and Dankhini in Bastar will know how important a water treatment plant is. By letting the untreated water used to wash iron flow into these rivers, the NMDC has reduced them to red, marshy gutters. An advocate, Pratap Narayan Agrawal, filed a Public Interest Litigation (PIL) in the Chhattisgarh High Court over the issue but the case hasn't come up for hearing so far.

In the meanwhile, it's already crystal-clear that both the companies will use water from the Indrawati River, which has been drying up over the past few years. Chhattisgarh is already dependent on Orissa, which releases 45 TMC (thousand million cubic feet) of water daily into the Indrawati. Despite this, Bastar faces a severe water shortage. About 4,000 ponds have dried up in Bastar in the past 10 years. If the plants are set up, the amount of water available to the tribals will be even less.

While there is no respite in sight for the locals, Essar has gone ahead and constructed a 267-kilometre long pipeline from Bailadila to Visakhapatnam, dubbed as the second longest pipeline in the world. The pipeline, whose construction was completed in 2006, makes it possible to transport 80 hundred thousand tonnes of fragmented iron ore annually. According to Prashant Ruiyya, the managing director of Essar Steel, if the ore were to be transported by road, it would cost Rs 550 per tonne. The pipeline cuts down this cost drastically to Rs 80.

However, there is a controversy surrounding this pipeline as well. Senior advocate Kanak Tiwari, who has filed a PIL against Tata and Essar, says, "Essar has not paid any compensation to those displaced by the pipeline. The pipeline required only a breadth of 8.4 metres but Essar used up a width of 20 metres."

In the meanwhile, the companies went ahead and chose land for starting

their projects. Tata selected 10 villages in Lohandiguda, Bastar, an area of 5,300 acres of land for setting up a five-million tonne steel plant. It's worth mentioning here that Tata needed only 2,500 acres of land for its six-million tonne steel plant at Kalinga Nagar, Orissa. Essar said it needed 2,500 acres of land in the MoU, but ultimately zeroed in on 3,097 acres in Dhurli and Bhansi villages, 20 km from Dantewada.

These huge tracts of land that the companies have chosen for themselves beg one question: considering so many new techniques are being used in steel plants, are such massive acquisitions justified? The story of the Bhilai Steel Plant, set up in 1955, offers some answers. A large number of people were displaced when it was originally set up, but by 1972, it became clear that the plant didn't need that much land after all. The steel plant returned nearly 50 percent of the land to the government, from whom businessmen purchased the land at low rates.

Tata and Essar claim that they will use the extra land to acquire loans from banks. This hardly cuts any ice with the tribal community, whose members have called meetings in Bastar to emphasise that they will not be parting with their land. Today, the mere mention of the names Tata and Essar is enough to make the locals angry.

Ecological Impact

The tribals of Bastar know the value of iron ore, even if it's a resource that has caused them much suffering. The Agaria Gond tribals in this region have been making steel from iron ore for years. In the beginning of the 19th century, they had at least 441 kilns for making steel from iron ore.

It was the Tatas who first thought of setting up a steel plant in Bastar a century ago. According to old documents, Jamshedjee Tata, along with a few geologists, toured Bastar in 1896, and impressed with the quality of iron

mines, explored the possibility of establishing a steel plant in Bastar or Orissa. But those plans had to be shelved as there were no transport modes at that time.

The NMDC was the next one to visit the belt. The corporation was established in 1958, and started iron-ore production in 1968 in Bailadila. The NMDC started its production from two deposits of iron ore, which was divided into 14 parts. The corporation exported 27 lakh tonnes of iron ore to Japan daily, at a price of Rs 1 crore and 22 lakhs. But none of its benefits percolated down to the tribals.

Kavasi Lakhma, an MLA from the tribal community from Konta, Bastar, says that the NMDC exploited the tribals. The corporation provided employment to only 15 percent of the local populace. NMDC authorities themselves put the percentage of tribals holding executive posts at 4.82, in itself an unimpressive figure.

But the matter goes beyond the question of employment. The lease of NMDC's mines ended in 1995, and in the mean time, a report on NMDC's activities, prepared by the Science and Technology Cell of the Indian government, was published. The cell conducted a survey of the area and concluded that NMDC's continuous extraction of iron ore had adversely affected the environment in an area up to 35,000 hectares surrounding the mines; the region had been deforested, and its biodiversity and ecological wealth had been destroyed as also the people's farming land. The central and state governments actually admitted that people's living conditions had worsened because of NMDC's mining activities.

False Promises

In the nineties, the NMDC announced its plans to set up a steel plant in Bastar's Mawlibhata and Nagarnar areas. The tribals came together then to

ask the all-important question: what would they get from a steel plant? Just as before, no one had an answer. When the land was taken over from the tribals, after those protesting were tortured by the police and thugs in NMDC's pay-roll, it became clear that the government didn't even have a rehabilitation policy for the displaced. Those asking questions, including a powerful officer like Brahmadev Sharma, the leader of Bharat Jan Andolan and the then commissioner for Schedule Caste and Schedule Tribe, was humiliated. Sharma, an IAS officer, was stripped almost naked and taken around in a procession.

After Chhattisgarh came into existence on November 1, 2000, the state inherited a few pending projects from Madhya Pradesh. The NMDC once again announced its plan to set up a steel plant in Bastar, and with remarkable alacrity, started acquiring land in Ghotpal and Heeranar in Dantewada, Bastar. Under government rules, land can be acquired only after the gram sabha's consent is obtained, but the corporation chose to ignore these laws. After the tribals got together to protest, the echoes of their complaints finally reached Delhi, where the central government accepted that mandatory rules had not been followed in this case. As a result, the NMDC wound up its operations here and marched towards Nagarnar instead.

Nagarnar is 40 km from the district headquarters of Jagdalpur. When the NMDC announced its plans to set up a steel plant here in May 2001, the corporation assured tribals that 40,000 people would be given employment, and that they would be given land in exchange for that which was acquired by the corporation. Children were promised free education, farmers were assured of compensation, and locals of houses. As soon as the company started land acquisition, it became clear to the tribals that it had no intention of keeping its promises.

The government tried to force people to give up their land. On October 24, 2001, when tribals resisted the acquisition, the police beat up and fired

on innocent people. Over 50 were badly injured, many of them women. Despite this, the tribals decided in their gram sabha on March 2, 2002, that the land acquisition, whenever it was done, would have to be carried out according to the laws of the land. They decided that the displaced tribals would have to be rehabilitated, and given land to make up for what they would lose. Instead of mulling over this, the police started harassing the tribals and forced them to accept compensation cheques. The people of Kasturi, Nagarnar and Aamaguda remember those days very well. Rupsay Halbi, a local, was forced to give up his five acres of land to the police. He says, “The police crossed all limits of brutality one night.” Other villagers say that the police started beating up people late in the night, broke the doors of houses and attacked even the sleeping villagers. They imprisoned 300 people, including women. Work on the steel plant at Nagarnar, however, has not progressed thereafter, though five years have passed after the locals were tortured to give up their land. The tribals today have no source of livelihood. They cannot cultivate land anymore as they do not own any land — it’s today with the NMDC. The corporation promised them jobs in the plant, but the plant itself is nowhere in the horizon.

The only thing that has remained consistent for the tribals is the harassment. Says Pramod Mishra, assistant sub-inspector of Nagarnar, the first police station in the state to get an ISO certification for maintaining ‘international standards’, “There are still a few cases pending against the tribals.” It’s apparent that after losing everything, tribals only have court cases, hunger and false promises to fall back on.

The latest twist in the story offers little consolation. According to PS Upadhyay, the technical director of NMDC, and Alok Mehta, the manager of the Nagarnar project, the plan now is to set up a sponge iron plant with an annual capacity of one hundred thousand tonnes instead of a steel plant. Also, a captive power plant with a capacity of 10 mw may be set up. Whether

this plan comes through or not, what is confirmed is that a sponge iron plant cannot provide as much employment as a steel plant.

Twists and turns

When the Tatas announced their plans to acquire land in Lohandiguda, the people in the 10 villages there — Takraguda, Kumhali, Badanjee, Bellar, Sirisguda, Badeparoda, Daabpal, Dhuragaon, Beliapal and Chhindgaon — protested almost immediately. They declared that they wouldn't give up their land for a steel plant under any condition. Curiously enough, up to the point till the acquisition began, Tata didn't submit a project report for its proposed steel plant.

One of the most unfortunate parts of Tata's acquisition plans is that the land it intends to acquire includes area under cultivation. Out of the 3,906,000 hectares of land in Bastar, only 27.5 percent is suitable for farming. In Jagdalpur, 56 percent of the population comprises farmers whose land holdings are a mere acre or less. Lohaniguda itself has more agricultural land than any other village. Out of the 2,161 hectares of land that Tata wants to acquire for the steel plant, 1,861 hectares comprise agricultural land.

While villagers express their dissatisfaction at Tata's compensation package, the company claims that it has kept its requirements at a minimum, and thereby limited the displacement that will take place. Tata also sent the rehabilitation papers to tribals, and according to this, 840 people stand to lose their land, and 225 their homes.

Tata presented its re-establishment and rehabilitation package to the Chhattisgarh chief minister on December 15, 2005, and to the members of the District Rehabilitation Committee on December 26, 2005. Under this, the compensation for every acre of barren land is Rs 50,000, Rs 75,000 for un-irrigated land with a single crop, and Rs 1 lakh for irrigated land with double crop. The compensation package also includes an interest on this

amount. The villagers, however, wanted a share in the steel plant along with the compensation. Their demands altogether number around 12 and clearly, neither Tata nor the district administration has any interest in responding to these voices.

When Chhattisgarh's capital, Raipur, was celebrating the fifth anniversary of the formation of the Chhattisgarh state, the people of Lohandiguda, a majority of who comprise Madia tribals, were uniting against Tata and the state government. On November 5, 2005, thousands of people organised a public meeting at Bellar. BJP MLAs Lachhu Kashyap and Beduram Kashyap, and BJP MP Baliram Kashyap, addressed the meeting and assured the people that another spot would be found for the steel plant and that they would broach the subject with the chief minister. Within a few days, the BJP MPs changed their words and started supporting the steel plant. Government representatives started trying to brainwash villagers by telling them that they would benefit from the Tata plant.

The situation at Bhansi and Dhurli villages in Dantewada was more or less the same. Essar wanted to acquire 1,254 hectares (3,097 acres) of land at these villages for its steel plant, but the people opposed it on the same grounds as their counterparts at Lohani guda.

Consent at Gunpoint

The Provisions of the Panchayats (Extension to the Scheduled Areas) Act (PESA), passed in 1996, is ostensibly meant to protect the tribal community's rights. The act makes it mandatory for the administration to consult the gram sabha or panchayat before land in scheduled areas is acquired for development projects. The panchayats in these areas also have the power to manage natural resources, conserve and protect customs and traditions, and resolve disputes, among other things.

Faced with the villagers' opposition, the government organised a special meeting of the gram sabha in Lohandiguda-Bellar on May 10, 2006. By then, the villagers had rejected the rehabilitation package that had been offered. They instead asked for Rs 5 lakhs as compensation for barren land, Rs 7 lakhs for land in which a single crop was being cultivated, and Rs 10 lakhs for land where two crops were being cultivated. They also demanded, in writing, that at least one person in the affected family be given a job.

Considering the protests, the proposed gram sabha meeting was rescheduled in June, only to be cancelled again. Yet another meeting was organised on July 20, 2006. Two days before D-day, the district administration held a meeting with the villagers. According to the sarpanch of Badanjee and Bellar villages, the collector told them that all their demands had been accepted. The villagers asked the collector for written proof but this wasn't forthcoming. Instead, the administration imposed Section 144 of the Indian Penal Code on the whole region, restricting assembly of people, and filed cases against 55 gram sabha leaders. Seventeen people were arrested. Even then, the gram sabhas didn't act as per the government's wishes. No sabha could be held in two panchayats; in three panchayats, no decision could be made. Officials, however, allegedly recorded false decisions on their own. The villagers today say they were pressurised to give up their land. Apparently, thumb impressions were forcibly taken from Adivasis and consent thus obtained for land acquisition.

The district administration managed to get decisions in their favour in two gram sabhas. This was interpreted as a green signal for Tata but the tribals called a gram sabha on their own on February 24, 2007, an open call challenging the government as it were. In Takraguda and Belar, the police reportedly attacked the people and arrested Manish Kunjam, the national president of the Adivasi Mahasabha and former Communist Party of India (CPI) MLA. Chittaranjan Bakchhi, CPI national executive member, says,

“We are not against the Tata plant but we definitely oppose the usurping of farmland by misleading local tribes. The government and the police are adopting all sorts of tactics to crush the tribal movement and to seize their land.”

The police response angered the villagers, pitting the government and the tribals against one another. If tribals attacked policemen, the district administration lathi-charged tribals and arrested them. Instead of frightening the people, it had the exact opposite effect: the tribals expressed their willingness to give up their life for their worthy cause.

All this brings to mind an incident of over 45 years ago, in March 1961, when the tribals launched an aggressive movement in Lohaniguda against a government levy. Many people lost their lives in the struggle, including a certain Azamber Singh of Kumhali Village. History seems to be repeating itself as his son Baldev Singh is today standing up against the Tata plant. “I have five acres of land and it’s being taken over,” he says. “If I have to lose my life, I don’t care. I know only one thing — that the fight must continue.”

Baliram Kashyap, the BJP MP of the region, claims that this struggle is unnecessary. More than the locals themselves, a few outsiders are the ones interfering in the matter, he says. He also equates those who oppose Tata’s plant to those who are against development altogether. Even as he says this, the local MLAs of his party, Lachhuram Kashyap and doctor Subhau Kashyap, admit that they find the role of the district administration suspicious. Lachhuram Kashyap says that gram panchayats have been pressurised to agree to the administration’s demands and that tribals have been forced to give up their land. Both the MLAs raised the matter before the Assembly but it doesn’t seem as if the government is interested in listening to concerns raised by its own party members.

The story of Essar’s gram sabha is no different. When the government

started land acquisition for Essar in Dhurli and Bhansi, they turned the whole region into a military area. The views of the gram sabha, about acquiring 280 hectares of land at Bhansi and 109.5 hectares at Dhurli, were obtained on June 10, 2006 and on August 3, 2006. Opposition leader Mahendra Karma, who has spoken out aloud in Essar's support, attended the gram sabha meeting in June. This tribal leader is also supporting the government in its Salwa Judum movement against Naxalites. Karma claimed that the Essar plant would result in the 'development' of region but the villagers weren't persuaded. About 1,300 villagers wrote a letter to the collector stating that they wouldn't give up their land to Essar. This didn't stem the administration's attempts at coercion. In September 2006, when a special gram sabha was organised in Bhansi, two companies of armed forces were posted there. Over 100 jawans of the district police force were posted in each area of the village.

Rama Sori, the secretary of Dantewada district's Adivasi Mahasabha, alleges that the land acquisition was carried out illegally. Essar's representative Vijay Kranti, however, denies these allegations. He adds that it's the government's job to acquire land and not that of the company's. His answer, however, doesn't explain why the regional director of Essar and other important company officers were present at the June meeting of the gram sabha.

Regarding displacement, Kedar Kashyap, the chairman of the Rehabilitation Committee and the state's public health engineering minister, says that the Essar project will generate employment for over 1,30,000 people. This seems highly improbable, as across the country, Essar employs only 15,000 people.

More Equal than Others

Advocate Pratap Narayan Agrawal, who has been fighting for years about various issues of Bastar, says that Tata and Essar are more interested in the

extraction of iron ore and its export than in establishing steel plants. In the MoUs, the government has given both the companies permission to extract, export and sell iron ore. This means that the companies have the option of sending the raw material to other plants, Agrawal points out.

At one time, NMDC had monopoly over Bastar's iron. In the past last four decades, efforts have been made to end this monopoly. In the initial stages of economic liberalisation and privatisation, NMDC was declared a sick unit and there were plans to hand over Bailadila to private units. The then iron and mines minister Santosh Mohan Dev and then prime minister Narasimha Rao came up with a scheme to hand over the mines with some of the most valuable resources to Nippon Denro of Mittal group. Under Rao's directions, a new company named Bailadila Mineral Development Corporation Limited was formed, in which Nippon had a share of 89 percent while NMDC itself held a mere 11 percent. The locals have opposed the proposed privatisation and the matter is currently in court.

MB Muthuraman, the managing director of Tata Steel, would like to see a complete handover of NMDC mines to private firms. His argument is that NMDC exports ore to countries like Japan, which goes against national interest. It would be better if the lease for the mines is given to those who would set up a plant in Bastar itself, he says.

Tata and Essar have also been eyeing Bailadila's iron mines. On October 27, 2005, Essar applied for a lease of the iron mines while Tata applied for one on March 13, 2006. Prior to this, 25 applications had been made by various parties for the lease, all of which the government rejected. However, when it came to Essar, the government sent a recommendation to the central government favouring leasing the corporate an area of 2,285 hectares. After two months, in December, the central government gave its green signal to the plan. Why had the other 25 applications not merited a response? According

to chief minister Raman Singh, this was because none of the others were willing to set up a plant in Bastar.

Sorry State of Affairs

In general, industrialists avoid investing in disturbed areas. But in Bastar, despite its strong Naxal presence, just the opposite has happened. The region's rich mineral reserves attract corporates, even as the state government harnesses all its forces to fight Naxalites. Incidentally, the government-sponsored Salwa Judum, or Peace March, touted as a people's movement against Naxalites, is being run by Karma, whose support for Tata and Essar is well known.

After Tata signed the MoU with the Chhattisgarh government on June 4, 2005, the government started its Salwa Judum project in Bastar the very next day, that is, on June 5, 2005. It had the unfortunate effect of making the Naxalites intensify their campaign. As a result, more people have died here in the past 22 months than in any other part of the country.

According to Rajendra Tiwari, a journalist based in Bastar, Tata wants to lease land spread across 2,690 hectares in Faraspaal, Maasodi, Kundepaal, Darapal, Chidrapal and Foolgatta. After the Salwa Judum, nearly 50,000 people were forced to leave their homes and seek the safety of government camps. Nearly 40,000 people have left Bastar for neighbouring states like Orissa and Maharashtra. Hundreds of villages have been evacuated.

Naxalites have alleged that the evacuation and the government-initiative Salwa Judum are linked. Ganapati, known only by its first name and the secretary general of CPI Maoist, a Naxalite group, has written in a letter to the Independent Citizens' Initiative that there is a nefarious connection between the two. He says in his letter, "There is immense wealth in the areas inhabited by Adivasis, from Jharkhand to AP [Andhra Pradesh], and all the big guns have their greedy eyes fixed on this wealth. Hence they leave no

stone upturned to grab this wealth even if it means massacring the indigenous people, razing entire villages to the ground and suspending all fundamental rights of the people. In the three states of Chhattisgarh, Jharkhand and Orissa, over three lakh crores of rupees are likely to be pumped in to extract several times more wealth to fill the coffers of these steel and aluminium barons of India and imperialist countries... This is the logic behind Salwa Judum.”

But the Naxalites are silent about the people who are forced to reside in government camps, living their lives as refugees. On the one hand, the tribals who have not joined Salwa Judum face the wrath of those who are part of the ‘movement’. On the other hand, those supporting Salwa Judum become the victims of Naxalites. In the past two years, more than 700 persons have died in these clashes.

Karma claims that the Naxalite allegations are ridiculous. He says, “Even after the so-called struggle of so many years, Naxalites don’t have public support. This is the reason why they fall back on violent means. Salwa Judum is a peaceful retaliation to their violence.”

Karma says that Naxalites are the ones campaigning against industrialisation and Salwa Judum. The people of Bastar themselves are not opposing Tata or Essar, he claims. In any case, the government merely shrugs off the Naxalite threat. Rajesh Moonat, industries minister of the state, says, “We are not afraid of this type of planned protest. Only selfish people are opposing the projects. But the government will continue to carry out its work according to the rules.”

Little wonder then that Kavasi Lakhma has this to say about the people’s feelings: “For the first time in Bastar, the common man is panic-stricken. This was not the kind of state that we had imagined for ourselves. If the tribals start demanding a separate state of Bastar for themselves, then no one should be surprised about it.” ■

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Road to Perdition

BY AMAN SETHI

A buoyant national economy and a booming construction sector have created much optimism in Orissa's steel sector. But if one looks at the ground reality, the enthusiasm seems to be misplaced. Mining projects have not only displaced people and destroyed the environment, but also contributed precious little in terms of employment or revenue generation

As shadows lengthen along Keonjhar's main street, the tube-lit sign above Hotel Arjun flickers to life, illuminating both the front entrance of the hotel and the cigarette seller standing nearby. A solitary traffic policeman walks up to the junction right outside the hotel, and assumes his position at the most significant crossing in town.

Fifteen kilometres away, the ground shivers as a queue, over a kilometre long, shudders to life. Engine after engine revs up and a convoy, several

hundred trucks strong, begins its 325-kilometre journey from the iron-rich district of Keonjhar in north Orissa to the port of Paradip on the coast.

Further up, the highway narrows down into the first of many bottlenecks and branches off, capillary-like, into narrow un-metalled paths that lead into the heart of the district's iron-ore mining areas. Across the Baithrani River, in Joda, Barbil, Deojhar and Thakurani, the low mountains are illuminated by high-powered halogen lamps — visible as raw, red gashes on the otherwise thickly forested mountainside — as work continues at a relentless pace in the mining areas.

Estimated as the source of almost 35 percent of India's total reserves of haematite, Orissa produced more than 46 million tonnes of iron ore in 2004-05, of which three quarters came from Keonjhar alone. Almost all of it was carted away in the nearly 30,000 trucks that ferry ore from the 119 mines that dot the district. Some trucks move north from Joda, upwards towards the Jharkhand border where they supply ore to that state's rapidly expanding steel industry, while others move northwest towards Haldia port. But a majority move southwards through Keonjhar town towards Cuttack and cut through to Paradip port, where the ore is loaded into containers and shipped across the Bay of Bengal to one of the few countries that has a bigger appetite for steel than India — China.

Initially seen as the engine of an independent India — the first 'swadeshi' steel mill was established in 1920 by the Tata Iron and Steel Company just across the present-day Orissa-Jharkhand border in Jamshedpur — and then cast into shadow by the shining 'new economy' of the 1990s, the iron and steel sector has made a strong return in the daily business pages thanks to a five-year rally in international prices. As Prime Minister Manmohan Singh pointed out in his keynote address at the India Steel Summit 2007, "In the last five years, the production and consumption of steel has grown at rates exceeding nine percent per annum. The pace of growth has further accelerated

in the current year to over 10 percent.” The recently formulated National Steel Policy has set the production target for 2020 at 110 million tonnes of steel, and a doubling of present capacity from around 40 million tonnes to 80 million tonnes by 2012. A buoyant national economy and a booming construction sector have created further optimism in the steel sector, and nowhere is this felt more than in the office of Padmanabha Behera, minister of steel and mines and planning and coordination for Orissa. “We have signed 45 Memoranda of Understanding (MoUs) till date, and production has already started in 23,” he says. The minister foresees a resurgent Orissa, propelled forward by his party’s mantra of “progress through industrialisation”. Behera believes that Orissa’s future lies in using its vast mineral wealth to generate employment, and of course, to create wealth. However, not everyone in the state shares this vision.

A Network of Corruption

Trucks are probably the key to understanding the workings of Kheonjhar’s vast and complex mining network. Several decades of mining, the constant peregrinations of nine-tonne vehicles, and the relentless extraction of iron ore, pyrophyllite, quartzite, manganese, dolomite, chromite, pyroxenite and limestone have torn up the earth, dried up the rivers, and filled the air with a thick, reddish dust that never quite seems to settle. Each remote village appears to exist on its own, sealed off from the rest of the world by a thick curtain of the ferrous dust rising from the closest mining area and Orissa’s notoriously bad roads. Village gossip speaks of illegal mines, mafias, Naxalites and private militias; of intimidation by the mining companies, the local politicians and the police; and of rigged public hearings and embezzled compensation money. The information, like everything else in Keonjhar, comes cloaked in a thick haze of ambiguity.

To understand the trucks is to understand how privilege, corruption and access operate along dense, intricate networks, much like the roads that the

vehicles traverse everyday. Along these networks, the legal and the illegal often operate in overlapping zones, making it impossible to make a concrete accusation with any degree of certainty. After all, what is an illegal mine? How can it be identified?

“It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation of mines and the development of minerals to the extent herein after provided,” states the preamble to the Mines and Minerals (Development and Regulation) Act (MMDR), one of a raft of laws, bye-laws and legislations passed to govern the mining sector. First enacted in 1957 and subsequently amended almost every four years up to 1999, the MMDR Act serves as the central axis on which mining law is framed. The act classifies minerals according to ‘minor’ and ‘major’ lists, lays down procedures for the granting of reconnaissance permits, prospecting licenses and mining leases, and classifies violations and encroachments. While states have complete control over all minor minerals such as clay, gravel, sand and building stones, major minerals such as iron ore come under the purview of the central government. For mining such minerals, central permission is required prior to the granting of licenses. Apart from the MMDR, mining is also subject to The Mines Act of 1952, the National Mineral Policy (amended in 1994), and a slew of laws concerning land acquisition and environmental assessments.

Acquiring a mining lease for a particular area for a major mineral like iron ore or coal is a relatively easy process that has been much simplified over the past 10 years in the period coinciding with the liberalisation of the mining sector. Mining leases are granted on a “first come first serve” basis and guidelines under the Foreign Direct Investment (FDI) policy of 1999 allow up to 100 percent FDI in the mining and processing of minerals other than diamonds, precious stones and atomic minerals. Thus, mining occupies a unique governmental space that is simultaneously highly legislated yet remarkably unconstrained for mine operators.

As per the laws governing mining, mines could be declared “illegal” on a number of grounds, the most obvious being mining in an area without applying for a lease. However, the pressure of rapid industrialisation has forced state governments to curb such practices. “No illegal mining is possible without political patronage and local politicians have realised that the land occupied by illegal miners can just as easily be handed over to giant corporations for similar favours,” explains a senior officer in the Directorate of Mines. This is not to say that outright capture of areas for mining has stopped entirely in the iron-belt but the most common examples of illegal mining occur on the boundary of legality, where the violator can claim a degree of innocence on the basis of ignorance of the law.

The most common form of illegality is to continue mining long after the lease has expired. A document obtained from the Directorate of Mines under the Right to Information (RTI) Act provides a complete list of mining leases in Keonjhar. According to the directorate’s own figures, dated December 31, 2005, 52 out of 119 mines, or more than 40 percent of all the mines in Keonjhar district, covering 52 percent of the leased area, are illegally operating on expired licenses. Of these 52, the Orissa Mining Corporation (OMC), a government-owned enterprise, is one of the worst violators, with 10 illegally operated mines over a total area of 7,051 hectares, or a fifth of the total land area under mining in the district.

Many in the industry argue that the issue of expired licenses is not an indication of corruption per se, as the government has been dragging its feet over license renewal for years. The failure to renew mining leases, particularly by a state-owned corporation, seems inexplicable, until one deconstructs the terms of a mining lease. As is pointed out by Ritwick Dutta in his chapter in a compilation titled *Undermining India*, the renewal of mining leases in forested areas has been the subject of much litigation since the enactment of the Forest Conservation Act of 1980. Given that most mines — including those in Keonjhar — fall within the purview of this act, the key question was

whether the renewal of a mining lease required fresh permission from the central government. The Supreme Court, in successive judgments, particularly in the State of Tamil Nadu Vs Hind Stones (in 1981) and the Samatha Vs State of Andhra Pradesh (in 1997) cases, ruled that the renewal of a mining lease was actually the grant of a fresh lease. Therefore, a good reason why mining companies and state officials go slow on the renewal of leases could be that theoretically, the company will have to reapply for permission and would be subject to monitoring by the Central Pollution Control Board, the Ministry of Environment and Forests and a host of other agencies.

The Forest Conservation Act mandates that forest land earmarked for mining should be de-notified by the central government after careful examination of the proposal and that the mining company should be subjected to a series of restrictions to minimise the ecological impact of the mine. It's also a useful tool to ensure that mining companies stay within the areas allotted to them and do not encroach on the surrounding areas. Of course, like any other act, the Forest Act is only as good as its implementation. A document from the Directorate of Mines lists 40 mines in Keonjhar that are operating without clearance from the forest department; OMC is once more one of the worst violators. PN Karat, the district forest officer, says that all such cases were dealt with as of February 2006. However, it's an assessment that's impossible to verify independently. In the absence of firm leases, a number of companies have been granted temporary working licenses, most of which are issued without any clear guidelines or monitoring.

The absence of adequate monitoring is probably the most disturbing feature of the industry in Orissa. The highly technical language adopted by both the mines and the state effectively silences any local articulation of opposition by the villagers directly affected by the projects. Thus, people's testimonies of a change in the colour of groundwater, an increase in the cases of asthma and respiratory conditions and a drop in the fertility of their fields is discounted in favour of Suspended Particulate Matter (SPM) readings

collected by the State Pollution Control Board (SPCB) and groundwater studies conducted by the State Groundwater Board, which prove that pollution is present but is below the mandated safety limit.

To cite just one example, Barbil is a small town in the heart of the iron mining belt where it's difficult to breathe freely, but a study obtained from the SPCB states that the SPM readings in Barbil are "only" 456 microgrammes per cubic metre against a reference value of 500, and hence acceptable. However, the Central Pollution Control Board reference values for "residential and rural areas" like the villages outside the mines are only 200 microgrammes per cubic metre; the reference value for a reserve forest, which could be classified as a "sensitive area" under the SPCB guidelines, is 100 microgrammes per cubic metre. Thus, the same arbitrarily fixed 'standards' used to declare mining areas "pollution-free" can just as easily be used to declare them unfit for human habitation.

Similarly, the only way to verify if a mining area corresponds to the area mentioned in the mining lease is either to refer to the detailed contour maps that the government has (these are unavailable to the public) or to physically plot the coordinates of the mine using a global positioning system, which no one in Orissa has access to. Such opacity on the part of all privilege holders in the system makes it impossible to level definite accusations against any party. But like all camouflaged sites, in Orissa too, the veil occasionally slips and offers a glimpse of the arrogance with which most mining corporations treat the law.

Just a Pipedream

The road to Deojhar, as with most roads to hell, is paved with the best of intentions. Ostensibly built to connect Deojhar village to the highway, under the Pradhan Mantri Gram Sadak Yojana Scheme, it has turned out to be a useful way to connect the mines to the mainline. Few villagers use this road, for there are too many trucks. Of late, the trucks plying the Deojhar-NH215

route have had to contend with a hazard apart from the crater-like potholes in the tarmac — the presence of a fleet of bright orange, earth-moving vehicles engaged in the frenetic digging of deep trenches along the road. These are vehicles employed by the Jindal company, a consortium of companies much like the Tata's with interests primarily in iron, steel and power, to dig up the earth for laying a pipeline to supply water to their 2,000 hectare iron-ore mine in the hills above a Deojhar village.

“Jindal is laying a nine-kilometre pipeline to draw water from the Baitarani River,” says Arjun Saraswat, deputy general manager of Sarda Mines Private Limited, the company that possesses the lease for the Jindal land. “This water will be sourced from the soon-to-be-completed Kanpur Dam project.” At the time of this article going to print, digging work was almost complete, and pipes of two-foot diameter had been laid along a stretch of four-and-a-half kilometres.

But has Jindal acquired the necessary permissions for this pipeline? “The Jindal company’s demand for water has been approved in principle,” says Harish Behera, engineer-in-chief (water resources) of Orissa. “But the technical parameters are to be worked out. No permission has been granted for any pipeline, and as of now, no project work has begun.” Behera is responsible for the allotment and allocation of water resources for all of Orissa but seems to be unaware that the pipeline work has not just begun, but in fact, is nearing completion. On being shown the photographs of the project taken by this correspondent, Behera says, “The matter is currently under litigation.” What litigation is this? For answers, one is directed to CV Prasad, chief engineer, project planning and formulation, of the Orissa water department (irrigation). Prasad is more forthcoming. “Jindal has been allotted 1,500 cubic metres of water per hour, drawn in a phased manner, from the Baitarani river project,” he says. “But the project is still awaiting technical clearance. As of now, the construction is in violation of the law.” Prasad’s office has written to the

company several times, asking them to stop construction, most recently in a letter dated January 16, 2007. “We were under the impression that the construction had stopped,” he adds.

It’s important to note here that a project approval “in principle” is no indication of its merits or demerits, which are considered only in the technical approval stage when a Detailed Project Report (DPR) is submitted. All an ‘in-principle’ approval means is that the company can go ahead and prepare a DPR. If Jindal’s pipeline does not pass muster, they will be forced to remove it. By going ahead with the project, the company obviously believes in one of two things: either that government approval is a foregone conclusion, or that it’s of no importance. Neither inspires much faith in the government.

The Baitarani pipeline also begs a further question. At present, where is Jindal drawing its water from? Deputy general manager Saraswat admits that Jindal is currently drawing water from borewells in their area but is unwilling to quantify the volume of water drawn daily. “It’s only used for domestic purposes,” he says. However, officials at the State Pollution Control Board office in Keonjhar reveal that Jindal uses a 10 kilolitre truck to carry out water sprinkling three times a day in the mining area; or 30,000 litres of water a day just for sprinkling. Apart from that, a mining operation on this scale, with most permanent workers living in the mining area, suggests a reasonably high rate of water consumption, even for domestic purposes. Of course, the beauty of it all is that even Jindal probably doesn’t know how much water they use because none of their tubewells is metered!

One group of people, however, has a fair idea. Down the road from the mines, the villagers of Deojhar have seen their streams dry up; their water tables have fallen and their soil has lost its fertility in the six years since Jindal began its operations. “The very basis of village life has fallen apart after the project started,” says Sridhar Nayak, a local leader in Deojhar. The crops have died, there is no place to graze cattle, villagers cannot collect firewood

in the project area and the hand-pumps yield foul, yellowish water. Nayak says the dust created by the project has severely affected the health of the villagers, particularly the young, who show increased cases of lung congestion.

When the project first began, protests were quelled by a combination of cajoling and coercion. Significant police presence was backed by promises of jobs, economic regeneration, security and progress. Needless to say, none of it has materialised. The police, of course, continue to show up in impressive numbers to threaten errant villagers.

The promise of prosperity — schools, hospitals and jobs — is usually the classic argument used to justify the well-documented horrors of mining. Minerals are a country's natural wealth, a precious resource crucial to a nation's progress. The booming international market for metals has also cast mines and minerals as earners of valuable foreign exchange. The money from mining allows the government to invest in industry, which in turn ensures more schools, hospitals and jobs, which leads to further prosperity. It's hard to argue against the cold hard logic of capital without sounding like a hopeless idealist, or worse still, a bleeding heart journalist unaware of the big picture. However, it's still possible to contest the sanitised, rarified vision of the mining industry's benefits with the empirical evidence on the ground. For that, one has to first ask the question: what if mining hasn't brought any benefits to the people it has affected the worst?

Tall Claims

The village was originally called Jalhoni, but it's a name that few remember. It has been over 30 years since it ceased to exist. It seems that all the inhabitants left around the time the Essel Mining Corporation came to the Joda province to establish their iron-ore mine; no one knows where the people went. The settlement that came up to serve the mine was called "Crèche-hutting" by its new residents, who were drawn from all over the state. Chaitanya is one such

resident, who grew up in Crèche-hutting, and who has lived here his entire life.

Just like his father and mother, Chaitanya and his wife Priya (who also grew up here) have been working with the “company” for almost 20 years now. And just like his parents, he and his wife are contract workers. He used to be called a temporary worker earlier but the word temporary has an aspiratory element to it. It carries within itself the possibility that after five, 10 or 20 years of temporary work, a worker might one day become “permanent”, a position that would entitle him or her to health care, insurance, a six-day week and even an occasional bonus. But, 10 years ago, the company stopped hiring permanent workers, and so Chaitanya and others like him were renamed. Now they are simply contract workers, a description that carries no false promises.

Like most other industries in India today, mining too has discovered the great utility of contract workers, a designation that frees the company from a whole host of entanglements like worker safety, over-time payments, health insurance, pensions, maternity leave for women and regular working hours. Tasks that do not require technical skills are therefore farmed out to contractors for a fixed amount. The contractor brings his own labourers and pays them as he pleases. Often, the contractor doesn’t even have to find his own labour — existing labour is simply transferred to him, and he employs a foreman to supervise the workers.

Chaitanya and his team break stones for a living. The ore arrives in trucks and is manually sorted and broken down to the size that can be processed by machine. Each person is allotted a fixed amount of stone and paid accordingly. Every week Chaitanya breaks 18 tonnes of ore. He is paid Rs 300 for the lot, which works out to about Rs 16 per tonne. Priya breaks a similar amount, but she takes longer to finish. She is paid every week and a half.

Contract workers aren't entitled to leave their tiny children at the crèche that gives the settlement its name. The crèche is reserved only for the children whose mothers are permanent workers, a category so rare that it doesn't exist in most mines. Every morning, Priya tells her 10-year-old daughter to be a good girl and look after her three-year-old brother and to remember to put out all the vessels in case a tanker brings fresh water to the settlement. Priya then puts on the bright yellow plastic hard hat issued by the company and goes off to the mines to break stones.

It can, and has been, argued by mega-project supporters that cases like Chaitanya's and Priya's are precisely the reason why accelerated industrialisation is important. Industrialisation is perhaps the only way for the state to raise sufficient funds to provide quality technical skills to the local populace, and ensure that locals are competent enough to handle jobs higher up in the employment chain. The idea behind training youth for industry is not new. The Directorate General for Training and Employment has been implementing the Industrial Training Institute (ITI) model across the country since the early 1980s.

As of 2002-03, Orissa had 24 ITIs with a total of 6,400 seats and another 131 privately owned Industrial Training Centres (ITCs) with an additional 11,950 seats. Over the past few years, the Orissa government has signed MoUs with a number of companies, including Tata Consultancy Services Limited, for setting up ITIs across the state in the hope that adequate training will enable a larger number of workers from the unskilled and low-paying categories of work to move on to higher-paying skilled categories. However, a study published by the International Labour Organisation (ILO) in 2003, titled 'Industrial Training Institutes of India: An Efficiency Study', states that Orissa's industrial training programme has been severely affected by successive austerity drives and is under-funded. The study notes, "In 2001-02, out of 467 sanctioned posts, there were around 156 so-called vacant positions for

which funding was not secured... Due to the budget shortfall, the capability of the public training system to enroll students has been effectively reduced. As a result, admissions were not made in 96 units with 1,288 seats. This means that the public training system's capacity was underutilised by some 30 percent." The study goes on to say, "In Orissa, the ITI principals interviewed acknowledged that the current occupations offered by their institutes provided very little, if any, job opportunity."

Another flaw in the ITI system, as in the case of many other education systems in the country, is that admissions to the publicly funded system is based on competitive entrance exams, and hence favour those who already have access to some form of education. Chaitanya and Priya never went to school, and at present, their children too don't. They are thus ineligible for the ITIs, and can't afford the more expensive private institutions. The ILO report also reveals that only 2.8 percent of the total workforce (both permanent and contractual) in Orissa's steel processing sector has graduated from an ITI. In the ferro plant sector, the percentage is 10.3 while in general manufacturing, it's 3.5 percent. These statistics suggest that ITI courses are yet to offer their graduates any assurance of employment, and that at present, the link between mining and employment is tenuous at best.

Another argument that could be contested is the one centred on revenue put forward by the Orissa government. Every MoU that is signed between the government and corporate mining companies is usually described as a landmark in the history of FDI in India. But how much does the government really make from such plans? Does mining benefit the government in the form of taxes or does it just boost the earning of a few, already wealthy, individuals?

Orissa government's statistics on iron-ore extraction and revenue makes for impressive reading. According to the latest Directorate of Mines figures, Orissa produced 46.07 million tonnes of iron ore in 2004-05 and earned a

revenue of Rs 72.85 crores as royalty. To put things into perspective, in the same year (up to December 2005), the Orissa government earned Rs 223.63 crores — almost three times the amount earned from iron ore — from excise duties on alcohol alone.

The reason for this imbalance is not hard to find. Unlike royalty on most other minerals, which operates on an ad valorem basis — that is, the royalty is calculated as a percentage of the market price — the royalty on iron ore is calculated on a per tonne basis at rates fixed by the Mines and Minerals Act. As per the second schedule of the MMDR Act, the royalty for a tonne of premium grade haematite with iron content greater than 65 percent is Rs 27 per tonne. While the market prices of iron ore vary on the basis of grade, size and type, so glaring are the notional losses made by the ore producing states that the chief ministers of Jharkhand, Orissa and Chhattisgarh recently issued a statement saying that the royalties collected on iron ore worked out to between one and two percent of its sale price. So, apart from providing limited employment to people displaced by mines, the iron sector contributes less to Orissa's economy than the excise department — not the entire distillery sector, just excise on bottles sold.

'How Can We Run a Business?'

Unfortunately, stories like Crèche-hutting and Deojhar village aren't new. The impact mega-projects have on small villages across the country has been well documented as also the outright exploitative deals signed between governments and corporate agencies. Yet, this doesn't seem to have slowed down the pace of slash-and-burn industrialisation, and it hasn't made mining companies, or even governments, more accountable or responsive to the people directly affected by such projects. It has, however, alerted other communities to the threat of displacement and provided them with the information necessary to help each other unravel the language of state and capital alike, a language that's almost entirely comprised of numbers: 43 new MoU's signed;

Arcelor-Mittal pledges 40,000 crores for a new integrated steel plant; recent estimates peg Orissa's total iron-ore reserves at 5,428 million tones; the area in Joda block classified as wasteland grew from 8294.82 hectares in 1989 to 1, 8540.86 hectares in 2004. One figure, however, is conspicuous by its absence. "There are no government reports on the number of people displaced by mega-projects in Orissa," says Dr Walter Fernandes of the North-Eastern Social Research Centre, also the author of a study on displacement. Fernandes and his team compiled the report in the eastern states in 1995, and prepared what could be the only reliable figures on displacement.

In the absence of any government data, Fernandes and his team visited each affected district and looked at the land records in the district collectors' offices. "Our study covered between 60 and 70 percent of all the projects in Orissa between 1951 and 1995, and suggested that mines, dams and other projects had displaced an estimated 1.5 million people during the period. Since then no more data has emerged, but we would peg the current figures at about three million people," he says. Unsurprisingly, no government data is available on rehabilitation either, but Fernandes says that only those affected by dam construction and international donor-funded projects have been rehabilitated. Those affected by mining have received nothing. In 2006, the Orissa government declared a Resettlement and Rehabilitation (R&R) policy in an attempt to quell the growing resistance to mining projects but it might have come too late.

An eight-hour bus ride away from the dusty interior of Keonjhar, perched on the edge of the Bay of Bengal, lie the gram panchayats of Dhinkia, Nuagaon and Gadakujang. Encompassing 11 small villages and home to about 4,000 families of farmers and fisherfolk, the three gram panchayats are at the centre of a Rs 51,000 crore (USD 12 billion) controversy. Hailed as the largest ever FDI project in India, the MoU for an integrated steel plant between the Orissa government and the Korean steel giant POSCO has been creating

ripples ever since it was signed in June 2005. The sheer magnitude of the project ensured it got reams of coverage in the press, and it soon became another key character in a grand myth created by the mass media. POSCO was now more than a project for a steel plant —it was the latest example of India taking its rightful place in the world, of Orissa finally living up to its potential, and a test case for future investment in not just the state but also the entire country. So, it was a cause of some embarrassment when the three panchayats rejected the proposal, cordoned off the villages and refused to let any representatives of the company, the state government or the local administration enter the area.

Sitting with his support group in Dhinkia Panchayat, Abhay Sahu, the leader of the POSCO Pritirodh Sangram Samiti, explains why they are opposing the plant. “The government says that a major portion of the land to be acquired is government land, but the people depend on the coastal belt for their livelihood,” he says. According to the MoU made available to this writer, the company will require approximately 4,000 acres of land for the project itself and an additional 2,000 acres for township development and recreational facilities, among other things. Over the two years after the MoU was signed, the project has changed shape many times. The current information suggests that about 475 families will be displaced in all, and the villagers will lose about 800 acres of private land and 3,200 acres of government land that is presently under betel-vine cultivation.

It's said that the life of coastal Orissa is run by *paan*, *dhaan* and *meen*, or betelnut, rice and fish, and the POSCO area is no different. The deltaic plains of major and minor rivers are ideally suited for growing rice and the high groundwater table and sandy soils of the beach provide perfect conditions for growing betel nuts. Villagers estimate that the combined earnings for an average family with a small rice farm and a betel-vine patch along the beach are between Rs 10,000 and Rs 12,000 every month. No one in the village

ever goes hungry. “The project will destroy our livelihood,” says Shantilata Behera, a resident of Gadakujang. “They say they will bring jobs, but we already have jobs, we have fields and we have boats.” Shantilata points out that POSCO will only be able to provide one job per family, but farming and fishing keep the entire community employed. “They say that the compensation package is generous, but what will we do once the money runs out? None of us have ever run a business, and I don’t think we can run one,” she says.

While the details of the compensation package are yet to be publicly released, sources suggest that the villagers will only be compensated for private land. The land under betelnut cultivation is registered as government land, and so in all probability it won’t be compensated for. However, the ownership of this land is far from clear.

Judged as revenue collectors and petty zamindars by history (and historians), the scions of the Bardhaman Raj were nonetheless one of the largest land owners in the east in post-Mughal India in the period from 1657 to 1955. While their territories waxed and waned over the 300-year period, there are few places in present-day Bengal, Jharkhand and Orissa that do not have some link to Bardhaman’s famous estates. The Orissa coastline is no exception. If local accounts are to be believed, the coastal stretch in the POSCO-identified area was originally land owned by the descendants of the Bardhaman zamindari, and the villagers cultivated the land and paid taxes for 150 years. The situation changed in the mid-1970s when the then prime minister Indira Gandhi abolished the privy purses of the maharajas and the land was taken over by the state. No move was made to transfer the land in the name of those who had tilled it for more than a century. Instead the villagers continued to farm the area and pay ‘encroachment’ tax to the government. Villagers also continue to buy and sell land amongst each other.

At present, the POSCO project seems to be in a state of limbo. A flurry of

news reports over the past two weeks have reported a waning interest on the part of POSCO, assurances by the Orissa government that the issues will be sorted out in three months, and finally a rumour that Arcelor-Mittal might assume control of POSCO through a hostile takeover.

In the meantime, several other gram panchayats across the state have begun to question the land acquisition process of the government. On March 9, 2006, the residents of nine villages situated just outside Keonjhar town were surprised to find the local revenue inspector and the tehsil supervisor surveying the land just outside the village. A mass agitation and an RTI application later, they were told that their land was to be acquired by the Sterlite Iron and Steel Company for a steel plant. The land's proximity to the mining areas was cited as a major advantage for the industry. "We all gheraoed the officials and refused to let the survey continue, and the officials left in a hurry," says Purushottam Mehra, a former school principal and a resident of the village. A year later, the schoolmaster of a local school awoke one morning to find a pile of schoolbags, covered with prominent 'Sterlite' stickers, just outside the school premises. Since then they haven't heard from either the company or the local administration, but rumours suggest that land acquisition will begin soon. Anti-Sterlite meetings have begun at Kadagarh and the villagers are preparing themselves for a long battle ahead.

In village after village, panchayat after panchayat, community after community, the story of forcible eviction, displacement, shattered livelihoods and exploitation repeat themselves with mind-numbing continuity. Every settlement in Orissa exists in a state of almost permanent insecurity, suspicious of every move made by governments and companies.

Back at the Hotel Arjun on National Highway 215, the muddy darkness of twilight has given way to the certainty of night; our policeman at the crossing stands ram-rod straight, wearily directing the economy of an entire state as the trucks rumble past. ■

The Base Alchemist

BY ROGER MOODY

Vedanta Resources ‘distinguishes’ itself by the cynical and systemic fashion in which it flouts the laws and environmental regulations in many countries. Though a publicly listed company, it’s dominated by one man and a tight group of friends and family. The enterprise flaunts an attitude that combines Hindutva with neo-liberal orthodoxy. Disturbingly, this Janus-like face is one many Indians seem to have no problem with

I’m sometimes asked which mining company I consider to be the “worst”, after my quarter-century’s examination of the industry worldwide.¹ Until recently my response was that “none of them is beyond reproach and each is as bad as the other”.

However, over the past two years, I’ve been driven to the conclusion that one company distinguishes itself from its contemporaries — not just for the number and extent of the accusations leveled against it, but for the utterly cynical, and systemic, fashion in which it continues to flout the law, and

violate environmental regulations in several different countries. That it's "Indian", yet based in the UK; a publicly listed company, yet dominated by just one man, his close family and a tight group of powerful friends, should not surprise us greatly. Switzerland's Glencore, the world's biggest private trader in metals, and owner of numerous mining interests, doesn't even have a board of directors; its finances are a closely guarded secret; and its main corporate "vehicle", Xstrata, is based in London.²

But what distinguishes Vedanta Resources plc, even from such highly dubious stable mates as these, is the speed at which it has amassed a fortune for its effective owner, Anil Agarwal, and enabled his enterprise — in just three years — to become the fourth most powerful mining company registered on the London Stock Exchange. Add to this the astonishing degree to which its US and European financial backers, in collusion with the British Financial Services Authority (FSA), have set aside their early qualms about the company's provenance and integrity, which enabled a rank outsider to ensconce itself at the heart of the world's most vibrant capital market.

The Tatas, Jindals, and Ambanis are only now striking out into foreign mineral joint ventures. (Notably with Tata's 2007 merger acquisition of UK-Dutch steelmaker, Corus; Jindal's 2006 ownership of the huge Mutun iron-ore deposit in Bolivia; and Essar Steel's takeover of Canada's third largest steelmaker, Algoma, in mid-April this year.) Agarwal was digging himself stakes in Australian copper mines, in Central Asian gold, and in exploration ventures in Mexico, Russia and Burma, a full decade ago. In terms of an "Indian" global spread, his only superior so far has been Lakshmi Mittal. But, both Agarwal and Mittal are in fact UK-based Non Resident Indians (NRIs). The pastures have clearly proved "browner" on the other side.³

Whereas Mittal has so far escaped any major scandal, Agarwal and his confederates have long been mired in dubiety. As I write this article, Vedanta's subsidiary, Sterlite Gold, stands accused of a raft of criminal acts in Armenia,

including mining more gold than permitted by the government, deliberately under-valuing its reserves, and failing to properly dispose mine wastes.⁴ Last November, in Zambia, Vedanta was indicted for willfully using a defective pipeline to dispose of highly toxic tailings from the country's largest copper mine, KCM, purchased two years earlier. It had also been constructing Zambia's premier copper smelter without obtaining official permission from the Zambian government.⁵

In India, too, Vedanta expanded its massive Tuticorin copper smelter without proper authorisation by Tamil Nadu's State Pollution Control Board, and in the teeth of orders from the Supreme Court's Hazardous Waste Monitoring Sub-Committee to desist (see below). It has proceeded with the building of a major alumina refinery at Lanjigarh in Orissa, despite a damning report of September 2005 by another Supreme Court sub-committee, which confirmed it had destroyed protected forests and was therefore operating illegally. Moreover, this January, research by the Delhi-based VV Giri Institute (affiliated to the ministry of labour) showed it to have broken virtually all the terms of an agreement it made with its workforce when it took control of the publicly owned BALCO in 2001.⁶ The following month, the Orissa State Pollution Control Board ordered the company to halt the building of a huge aluminium smelter in Jharsuguda, intended to receive alumina from the illegal Lanjigarh refinery. Just six months before, the company and its shareholders had been made fully aware that this construction was illegal, when members of the London-based Vedanta "dissident shareholders" group produced photographic evidence of the fact, supplied by leading Oriya human rights activist, Prafulla Samantara.⁷ Yet, 10 days later, the ministry of environment and forests blithely acquitted the company of malfeasance by hastily supplying retrospective environmental clearance. This provided yet another example of the collusion between key domestic decision makers, the Agarwal cabal, and its hangers-on.

The Rise and Rise of Anil Agarwal

Vedanta Resources plc was launched on the London Stock Exchange in December 2003 with an International Public Offering (IPO) engineered by HSBC, Citigroup, Australia's Macquarie Bank, Deutsche Bank, ICICI Securities India, and JPMorgan Cazenove, which, between them, reaped around 13 million pounds in joint service fees.⁸ Their efforts rewarded the new company with an initial market capitalisation of well over a billion dollars. It was the second biggest offering on the UK Exchange that year, and a first for any Indian-based company. Thanks to a US\$ 700 million bond issue made the following year by ABN Amro, Barclays Capital and Deutsche Bank, the company embarked on a US\$ 2.2 billion expansion programme, aimed at making it India's biggest copper and aluminium producer (it has for some years produced most of the country's lead and zinc).

Many urban Indians have heard of Sterlite Industries; few (as I've discovered in my travels) are yet aware that Vedanta now controls 82 percent of Sterlite itself. In effect, the London listing gave Agarwal unprecedented access to foreign investment, while also serving to re-capitalise Sterlite's Indian mines and downstream processing plant. As of the beginning of 2007, Anil Agarwal and his family held 54 percent of Vedanta and therefore gobbled up the same proportion of its corporate profits.⁹

Born into the Marwari traders' caste 55 years ago (but now ensconced in a 10 million pound mansion in London's fashionable Mayfair) Agarwal had, over the previous three decades, moulded a small Indian copper manufacturing unit into a family holding company which now wields control over two of India's former state-owned minerals enterprises, Hindustan Zinc and BALCO (Bharat Aluminium Company). He has also forged close personal relationships with the chief ministers of three mineral-rich Indian states; PD Chidambaram was a director of Vedanta just before quitting to become India's powerful finance minister.

“I understand the Indian psychology!” Agarwal announced for the benefit of potential global investors in early 2005. Certainly he knows how to pull strings. When chairperson Michael Fowle suddenly resigned in March that year, swiftly followed by Jean-Pierre Rodier, head of Vedanta’s health, safety and environment committee, Agarwal promptly made himself the executive chairman. This flew in the face of UK corporate good governance rules which frown on the head of a company being its biggest single shareholder.¹⁰ Agarwal has also steered close to the wind in appointments to his board. One of the early conditions imposed on the company by the UK listing authority, and insisted upon by the JP Morgan investment bank, was that a majority of directors should be “independent” of the Agarwal family and its Trust. Currently, only one board member is non-Indian. Two of the three executive directors are Agarwals and the third, Kuldip Jaura, has worked for Sterlite since 2002.¹¹

Breaking the Rules

Controversy has dogged Agarwal since the mid-1990s, with accusations recurring that he has offered political or judicial bribes and financially backed India’s rightwing Hindutva agenda. Nothing has been proven though questions were raised in the Lok Sabha earlier this year over donations made to Indian political parties by the “charitable” Vedanta Foundation and which, on the face of it, seem to be a breach of domestic legislation banning foreign companies from doing so.¹² Certainly Sterlite was found guilty in 1998 of participating in a massive self-serving shares’ scam. As a result the Bombay Stock Exchange regulator, Securities and Exchange Board of India (SEBI), banned it from trading for two years (although the order was soon rescinded by the government when new evidence offered by SEBI was refused).¹³

Of longer-standing concern has been the plight of communities and workers at the company’s Tuticorin operations in Tamil Nadu. Imported from Australia in 1994 as a second-hand, decommissioned plant (Agarwal freely

boasts he got it on the cheap), the smelter was rejected by the state government of Maharashtra as too dangerous and was finally set up nine kilometres from the Gulf of Mannar Special Biosphere Reserve, in violation of marine protection rules.

Within its first year's operation the smelter was closed three times by government order, but allowed to re-open, though manifestly unsafe and brimming with toxic materials. On a visit paid in September 2004, the Indian Supreme Court's Monitoring Committee on Hazardous Wastes was horrified to discover a "mountain" of phospho-gypsum dumped at one end of the site, and "several thousand tonnes of arsenic bearing slag" at the other, all open to the wind and rain. Not only was an urgent order to remove these wastes ignored by Vedanta, but an expert team, reporting to the Supreme Court the following month, found that the company had nearly doubled its design capacity, illegally bringing new facilities on-stream and thus contributing further to the overload. Several visits to the smelter, carried out by Indian investigators and myself between 2004 and 2006, confirmed that Vedanta had done nothing to reduce the volume of these hazardous wastes.¹⁴

Meanwhile, Agarwal was ramping up Vedanta's ambitious bauxite mining operations, along with new aluminium refining and smelting capacity in both Orissa and Chhattisgarh. Sterlite's 2001 acquisition of state-owned BALCO sparked one of the major Indian political controversies of that year.¹⁵ It was not the first time Agarwal had tried appropriating an Indian aluminium major. He earlier bid for Indal by soliciting shares from its investors, but then couldn't pay up: it took an order from the Delhi High Court four years later to force him to produce the money. The hasty sale of 51 percent of BALCO-India's third biggest aluminium company was seen by some as a "pre-budget maneuver" to balance the government's shaky books. Allegations were widely made that India's Bharatiya Janata Party-led government deliberately prevented BALCO from modernising successfully on its own

terms and with its own funds. In any event, the company was grossly undervalued; according to some estimates Sterlite secured assets worth up to 10 times what it actually paid for them. The most immediate victims of this BALCO “fire sale” were members of its workforce, threatened by redundancies and loss of benefits. Seven thousand workers in the newly formed “indigenous” state of Chhattisgarh came out on a lengthy strike and AM Ansari, the working president of the Bharat Aluminium Employees Union (a member of CITU), was summarily dismissed by Sterlite’s management on the pretext of his bad behaviour some three years earlier.

In January 2007, a report by the VV Giri Institute confirmed the cavalier treatment which Vedanta/BALCO meted out to its labour force from the time of the handover, revealing that the company had flouted most of the provisions in the privatisation agreement.¹⁶

Peak Pressures

India possesses around an eighth of the world’s untapped, higher-grade bauxite, the raw material for the so-called “green metal”. However, these reserves are found only on peaks above 1,000 metres, inaccessible except by narrow roads and tracks that cling precariously to the hill sides. Despite widespread deforestation over the past 20 years, as tourism and plantation economies have taken their toll, these remain some of the richest areas of biodiversity in the subcontinent. They are home to thousands of adivasis, tigers, elephants, bison, deer and rare medicinal plants, as well as (in Tamil Nadu) the unique shola forests, which cover deep ravines.

I have inspected virtually all of Vedanta’s major bauxite sites, spread across the states of Chhattisgarh and Tamil Nadu. Without exception, I discovered the company to be violating even minimal environmental standards, while exploiting its workers to a degree which would be unacceptable to many homegrown Indian companies, let alone a “world-class” enterprise. In 2005,

at Mainpat, the biggest single bauxite mining complex in Chhattisgarh, I met around 30 workers, un-helmeted, clad in shirts and sarees under a blazing sun, as the lateritic overburden was blasted. They then moved in with a few iron pikes and hammers, to break and sort the ore before loading it by hand onto waiting trucks.

All of Vedanta's bauxite miners are contract labourers. If it's been a good day at Mainpat, they can earn just over Rs 60 (it's less for women) for delivering one tonne of ore. Their habitations are small thatched hovels, perched over the quarry, deprived of electricity and adequate water. "There's only one hand pump to serve 150 families," a young tribal woman worker, Mati Shahu, told me. "The company provides no medical facilities and if someone's injured we have to take them ourselves by taxi down to the plains." At another slightly better-appointed settlement close by, villagers complained that, day and night, the silica-laden dust from the mining blew into their windows, covering walls and floors.

In order to feed Vedanta's appetite at its expanded Korba Aluminium Complex in Chhattisgarh, and to stockpile bauxite for the opening of the Lanjigarh refinery in Orissa, Vedanta has started plundering a 10-kilometre hilltop at Bodai-Daldali in Kawardha district. This towers over the world-renowned Kanha National Park, whose forests were immortalised in Rudyard Kipling's *Jungle Book*. Last year, an Indian colleague and a British anthropologist checked these bauxite operations and discovered the conditions there were worse than those prevailing at Mainpat.

The Baighas, the Advasi inhabitants from two of the tribal settlements standing in the project's pathway, were ejected from their homes without due legal process and were dumped on the plains in the heart of a non-tribal community. They had to leave behind their crops of maize, oil seed, gram and mustard, abandon their cows, buffalos and goats and are now trying to survive on half the acreage they once possessed. Vedanta's largesse, the first

project manager told me in 2005, had consisted of Rs 2,500 for new houses, a recently surfaced approach road, and a hand pump. Some compensation had been paid, but he admitted it was too low: “If the government tells us to pay more, we’ll do so,” he said. Clearly discomfited by the injustices exposed, he agreed that no more removals should take place, at least for the time being. Shortly afterwards he himself was shifted (to Mainpat); meanwhile other families have been forced off their land, or teeter precariously on the very brink of the mines, woken by early morning blasting and showered in dust.¹⁷

Further south, up in the breathtaking Shevaroyan and Kolli hills of Tamil Nadu, labour conditions for workers employed by Vedanta’s MALCO subsidiary are marginally better. Here JCBs break up the ore before it’s “dressed” by the manual workers; this is “semi-mechanisation” as it’s euphemistically called. But the environmental impacts are worse. In Mainpat there has been a token effort at afforestation, albeit using fast growing exotic trees rather than hardier native species, and haphazardly mixing topsoil with overburden before chucking it in the pits. No such pretence is made by Vedanta in these hills, where the peaks have methodically been hemorrhaged, vast raw-red gashes standing out against the clouds. The workings descend in large steps, almost vertically down the mountain sides; wastes and top soil are simply pushed over the edge. The consequences were vividly described to myself and a colleague Nityanand Jayaraman, by Pastor Arul Anandan, who manages a coffee plantation operated by tribal people: “One of our hills has been sliced off 200 feet by Vedanta. Now they’ve started a new mine on the opposite peak. Wild bison have charged through the trees, frightened by the blasting. The company did plant some seedlings but they’ve mostly died. Worst of all, when it rains, water floods our land. But during the dry season, it’s the opposite: perennial streams have simply been drying up.”

Time and again, villagers, trying to till their fields below Vedanta’s

operations, made the same point. Since mining started, the once abundant springs have failed, and the explanation is not hard to find. These high-plateau bauxite deposits have a unique ability to store and release rainwater throughout the lower slopes, feeding the plains below. Vedanta seems woefully ignorant about this basic hydrology. In a statement of “corporate social responsibility”, MALCO asserts that “bauxite does not support vegetation (while) mining helps improve forestation.” But, on the contrary, as Dr Marimuthu, a naturalist who has studied the Kolli hills for many years, was at pains to point out: “These plateaus used to be home to India’s mystical medicine men, the Siddhars, and the country’s largest known reserves of medicinal plants. Remove the topsoil, dig beneath, and these resources will never return.”¹⁸

The lush Niyamgiri ranges of Orissa are sacred to the Dongaria Konds, and are the sites of Vedanta’s most important target mine. (Ironically the British geologist who “discovered” these rich deposits nearly a century ago dubbed them “Khondalite” in tribute to the people who guided him there.) If the project were allowed to advance to full design capacity, some 660 hectares of prime forest will be destroyed — more than 90 percent of the total reserve — and up to a 100 streams could dry up, threatening the vital rivers to which they are tributaries, in particular, the Vansadhara that irrigates the plains.

But, so convinced was Agarwal that the project would clear all legal hurdles that in 2003 he commissioned Worley Parsons, a major Australian engineering conglomerate, to fast track the building of an alumina refinery in order to process the Niyamgiri bauxite. Site clearance and construction started before the project got permission from the environment and forest ministry. Then, the majority of the Majhi Konds, close to the refinery site, rose up vociferously against the project, even more so after two of their villages were razed to the ground in 2004 and the occupants brutally removed by police to a concrete

colony, swiftly dubbed by critics as a “concentration camp”.

Had it not been for the zeal of Indian environmentalists and tribal rights advocates, the company might already be plundering these hills. In September 2004, geologist Dr Sreedhar Ramamurty, director of the Academy for Mountain Environics, joined by Orissa environmental activist, Biswajit Mohanty, and rights campaigner Samantara, petitioned the Supreme Court’s Central Empowered Committee (CEC) to halt the company’s operations. In response, two experts were sent to Lanjigarh at the end of that year in order to register the true situation. They concluded that Vedanta, with the complicity of the Orissa state government, had illegally destroyed protected forests and embarked upon the refinery construction without proper permits; and inhabitants had been removed from their homes and land without due process of a public hearing. In January 2005, the CEC asserted that Vedanta, with the Orissa government’s help, had undoubtedly broken the law.

Five months later, a study by The Environment Protection Group Orissa (EPGO) asserted that the entire Niyamgiri deposit lies atop a protected forest area which is home to a variety of rare and threatened fauna and flora. The biodiversity is scarcely equaled in the rest of South Asia and includes 30 medicinal plants, at least 15 kinds of epiphytic orchids, 20 wild ornamental plants, over 10 kinds of wild relatives of crop plants (including some protected under an international undertaking); and tigers and elephants, leopards, elephants, sloth bears, palm civets and other animals, many of which are listed as endangered by the International Union for the Conservation of Nature (IUCN). There are also rare birds, the unique golden gecko lizard, and wild snakes, including a rare type of viper.¹⁹

The fourth CEC hearing in “the Vedanta case” took place in Delhi on April 28, 2005, where the company, through its chief lawyer, CA Sundarem, tried to argue that its work on the Lanjigarh refinery was minimal. This was a transparent falsehood, as confirmed not only by the CEC visit of December

2004, but by statements and photographs in Vedanta's own Annual Reports for both 2004 and 2005, and a declaration on its website by Worley Parsons, that the project was proceeding on "a very tight schedule".

Vedanta at this point said it would relinquish that part of the refinery site which falls on forest land, while claiming it had no designs on the Niyamgiri hills. According to Sundarem, it was now up to the Orissa Mining Corporation (OMC) whether or not to proceed with the application for a mine permit. This was highly disingenuous, to say the least. The CEC had already pointed to the impropriety of the state government indelibly linking the mine with the refinery and accepting just one environmental impact statement to cover both projects. Sterlite also has a Memorandum of Understanding (MoU) with the OMC, dating back to 1997, updated in June 2003, which obliges Vedanta to provide the majority of the capital and management expertise for a putative Niyamgiri mine, and grants the UK company first call on its output.

In September 2005, the CEC published a damning report on Vedanta's plan to plunder Niyamgiri.²⁰ It was unequivocal: Niyamgiri should not be mined, while Vedanta had still to answer for illegally constructing the Lanjigarh refinery. But, instead of issuing a verdict, early in 2006, the court referred the matter to the Forest Advisory Committee (FAC) and ordered detailed technical assessments to be completed within three months. Two of these were duly performed, one by the Wildlife Institute of India (WII), Dehradun, on wildlife impacts, and the second by the Central Mine Planning and Design Institute Limited (CMPDI), Ranchi, covering technical aspects of mining. Although a leaked copy of the WII report left no doubt that this highly respected institute unequivocally rejected the mining of Niyamgiri²¹, the FAC in October approved the diversion of forest land for the project, subject to certain conditions.

The reports were finally submitted to the court in December last year, where the senior advocate for Vedanta, Mukul Rohtagi, asserted that the

refinery could not function without mining on Niyamgiri, thus confirming what critics had known all along. He also indirectly confounded statements made by the company, both at earlier CEC hearings and in public statements. On several occasions after the Vedanta annual general meeting in August 2006, Vedanta has stated that it could operate the refinery without relying on bauxite from the Niyamgiri hills. It's known to have been stockpiling substantial quantities of imported ore at Lanjigarh since mid-2006. In the meantime, however, the court had determined that the FAC itself was improperly constituted since it failed to include independent members.²² At the time of writing, the new FAC has still not reported back.

Conclusion: “Our Vedanta”

No other global mining company has positioned itself in quite the same fashion as Vedanta. It has vaunted its Indian roots and has committed to assisting the country's industrial growth (with recent expressions of interest in building nuclear power stations, venturing into privatised coal mines, acquiring iron-ore mines²³, and bidding for Kolar Gold fields), it has also set its sights on further global ventures to supplement its existing forays into Australia, Zambia and Armenia. While claiming that his profit-taking benefits his fellow Indians, Anil Agarwal's trajectory has, in reality, been set in precisely the opposite direction: primarily lining the pockets of his own family and returning dividends to foreign institutional backers. No one, including Lakshmi Mittal or the Tata brothers, has so methodically and cynically denuded the land of their birth, exploited their workers, or ridden with such cavalier disregard over the rights of communities supposedly protected by the Indian Constitution. Equally, no other mining company over the past two years has enjoyed such remarkable growth in its financial returns, with a virtual doubling of profits during that period.

It's tempting (if hardly reassuring) to typify Vedanta as a peculiarly Indian phenomenon, and indeed it's difficult to escape the conclusion that Agarwal

has deliberately shaped his company as a logical, but ostensibly secular, extension of upper caste Hinduism. His proposal to found a world-class Vedanta University “along the lines of Harvard”, sited close to the sacred site of Puri in Orissa, provides one example of this — down to the specific undertaking that it will admit students on a “non-merit” basis (read places allocated specifically to sons and daughters of the middle and upper classes who pledge to support the Vedanta “project” in all its manifestations). But, even before the foundation stone has been laid for this particular edifice, the company has already appropriated — and cynically neutralised and de-spiritualised — Advasi notions of the relationship between people and nature. Wherever the visitor now goes within the territory that has been flattened or mauled for the construction of the Lanjigarh refinery, they will find notice boards affixed to every village, blatantly proclaiming that it is part of “Our Vedanta”.

This may not be unique: during the eighties there was a smattering of “Islamic” minerals outfits in the Middle East, and at least one “Christian” mining company set up by an Aboriginal group in Australia. But these made no secret of their sectarian origins and, perhaps for this reason, had a short life in today’s hard-nosed business climate. In contrast Agarwal’s enterprise has effected a remarkably successful, if bizarre, compound of Hindutva and neo-liberal orthodoxy. Disturbingly, this Janus-like face is one with which many Indians seem to have no problem, whether looking upon it themselves or showing to the rest of the world. ■

FOOTNOTES

1. Indeed, I was asked this very question while writing this article, by the *Dow Jones* UK mining correspondent
2. Glencore was set up to inherit the manifold deals of the disgraced commodities trader Marc Rich; along with the investment bank, Credit Suisse, it holds 40 percent of the equity in Xstrata, now the world’s fifth largest mining company

3. Lakshmi Mittal is erroneously regarded by many Indians as a homespun entrepreneur, but he's nothing of the kind. His eponymous steel company (called Arcelor-Mittal after Lakshmi's acquisition of Luxembourg's biggest steelmaker last year) is registered in Rotterdam, and to date he has failed to secure any operational mine or plant in India itself, though not for want of trying

4. See: "Armenia may start prosecution of Vedanta-controlled Zod gold mine" by John Helmer, *Mineweb*, February 28, 2007. Sterlite Gold has been running at a loss for some time, despite Agarwal's attempts to circumvent the company's problems. His promise to raise a minimum of US\$ 80 million for a new mill close to the mine site has gone nowhere; that's hardly surprising considering that investors would not be enamoured about pouring new money into a failing venture close to the politically fractious Azerbaijan border. Besides, Agarwal has made it clear he needs to site a refinery on the ecologically protected Lake Sevan, situated in the lee of sacred Mount Ararat. When he "backwarded" Sterlite Gold into Vedanta Resources plc in 2006, he and his family pocketed more than half the US\$ 60 million that his UK company shelled out to purchase the Armenian enterprise. It was a scandalous piece of quasi-insider trading which merited not a single adverse comment from the UK financial press. Worse, the deal received the approval of that "responsible" accountancy firm, Ernst & Young (who also happen to be Vedanta's auditors). Agarwal's initial partner in the Zod mine venture was the infamous Robert "Toxic Bob" Friedland who fled the US in 1992 after his Summitville gold mine in Colorado began spewing masses of toxic wastes into local waterways from its leaking cyanide heap leach pads. Friedland was indicted for his criminal negligence, but has never served a day in court, let alone in jail

5. See: Alastair Fraser and John Lungu, *For Whom the Windfalls: Winners and Losers in the Privatization of Zambia's Copper Mines*, published by Civil Society Trade Network of Zambia, and the Catholic Centre for Justice Development and Peace, Zambia Episcopal Conference, Lusaka, March 2006. According to the report: "On November 6, 2006, the entire Chingola district [northern Zambia] was faced with a water supply crisis following pollution of the Kafue River by a spillage of mining effluents from the KCM plant. The two water companies that supply [water to] around 75,000 people in Chingola residential areas...were forced to shut down their plants when the Kafue River turned blue when a pipe delivering slurry from the tailings leach plant at KCM burst, releasing into the water effluents that raised chemical concentrations to 1,000% of acceptable levels of copper, 77,000% of manganese and 10,000% of cobalt."

"...Consuming water as polluted as that in the Kafue, eating fish from the river, or plants watered with polluted water is likely to have wide-ranging short-term and long-term health implications. Between them the chemicals spilled into the river cause lung and heart problems, respiratory diseases and liver and kidney damage. In the short term, a large number of residents are suffering from diarrhoea, eye infections and skin irritations. These are likely to be only the early signs of poisoning that will have long-term impacts. Exposure to manganese can cause 'manganism' a disease of the central nervous system affecting psychic and neurological functions. Brain damage effects in the local population may only show up in future generations."

The Environment Council of Zambia pointed out that this was an example of environmental neglect by KCM, whose plant had seen several tailings pipe bursts, resulting in some communities getting polluted water for over a year. An ECZ spokesman complained, "This is a clear indication of poor corporate social responsibility by KCM management in their environmental management." The full report is available at:
<http://www.minewatchzambia.com/reports/report.pdf>

6. *Impact of Privatisation of Labour: A Study of BALCO Disinvestment*, published by VV Giri National Labour Institute, January 2007

7. "Vedanta asked to stop construction" *The Hindu*, March 11, 2007

8. It was not until mid-2006 that the UK Financial Times revealed the identity of the chief "fixer" in bringing Vedanta to the market. This was Ian Hannam, the so-called "citizen soldier" executive director of JPMorgan Cazenove, an ex-Gulf SAS (Special Air Services) officer who is head of capital markets at this global investment bank. Hannam had earlier organised the London listing of BHPBilliton, the world's biggest mining company, and Kazahkmys, now the third largest uranium miner. See *Financial Times*, June 3-4, 2006

9. Just before Vedanta's December 2003 listing on the London Stock Exchange, the *Financial Times'* enigmatic columnist, "Lex", acknowledged, "[Sterlite] has a complicated structure and a chequered corporate governance history." Whether or not the structure was designed specifically to conceal Anil Agarwal's dubious connections with even more shadowy figures from India's financial underworld, it's certainly far from transparent. Until that point, at the root of Sterlite's "complicated structure" was an outfit called Twin Star Holdings, located in the tax haven of Mauritius and assumed to have majority ownership of Sterlite Industries. Twin Star had made its first major move towards an offshore company in 1998, when it agreed to a major equity investment in Canada's First Dynasty Mines, founded by the highly controversial mining financier, Robert "Toxic Bob" Friedland. Through Twin Star, Sterlite agreed to invest US\$ 7.5 million in First Dynasty, entitling the Indian company to appoint three of its own directors and eventually ending up with about 43 percent of the Canada-based company. Agarwal's main objective was to ease Sterlite into First Dynasty's Zod gold project in Armenia. He and two of his colleagues did indeed join First Dynasty's board and, soon afterwards, Twin Star's investment in First Dynasty was completed.

Little was then heard about Twin Star until 2003, when the company confirmed that the holding company held 55 percent of Sterlite stock, with another 7.13 percent owned by Sterlite's Madras Aluminium Company (MALCO), 80 percent of which is itself owned by Twin Star. Then, in October, just after Vedanta was being paraded for its first UK public inspection, Twin Star announced it wanted to raise its stake in Sterlite to 75 percent. Indian authorities expressed concern that BALCO and Hindustan Zinc might now pass to a new foreign owner; such a transfer had been specifically proscribed when Sterlite took over the companies. As the authorities tried coping with this dilemma, the finance ministry's foreign investment unit revealed that the real owner of Twin Star wasn't Agarwal after all, but a certain Vinod Shah. Yet another Non Resident Indian based in London, Shah had

apparently acquired a 100 percent stake in Twin Star through his holding company, Volcan Investments Ltd

It wasn't clear then whether the provisions of SEBI's "Substantial Acquisition of Shares and Takeovers (SAST)" regulations had been violated. But certainly, by the time of Vedanta's listing, Volcan Investments Limited, had passed (back?) into the hands of Agarwal. In August 2006, in a sub-note to its interim Annual Report (September 30, 2006), Vedanta announced that yet another, previously unknown subsidiary, Welter Trading, had acquired 100 percent of Twinstar International Ltd.

10. While Michael Fowle appears to have quit Vedanta on good terms — no doubt encouraged by a fairly generous pay-off — Rodier has never divulged why he resigned. An educated guess would be that this high-profile professional, who previously worked for the French atomic energy agency and held a top position in Pechiney Aluminium, had become increasingly disturbed at the iron grip which Anil Agarwal was exerting over Vedanta, and Agarwal's lack of operational due diligence

11. See: Vedanta Resources plc Annual Report 2006, page 50

12. In fact this point had already been made at Vedanta's annual general meeting the previous year by Orissa-based journalist and activist, Samarendra Das. In response Agarwal promised to provide a list of the Indian political recipients of his "charity" but, to date, has not done so

13. SEBI condemned Sterlite, and two other private Indian companies, for insider trading, a decision *Frontline* columnist Praful Bidwai called "the greatest indictment by any statutory body yet of corporate malfeasance in the stock market". Sterlite was banned from accessing the market for two years; 34 brokers on Bombay's Stock Exchange (BSE) were also found guilty of collusion in the scam. Agarwal had allegedly collaborated in the share price rigging with a "promoter" called Harshad Mehta. Six years earlier, in April 1992, Mehta had been found guilty of helping himself to a cool five billion rupees from the State Bank of India by making a receipt "vanish". However, this had not prevented him from later launching a website to dispense stock tips and analyse market trends. Nor did it deter various newspapers from publishing his pretended "wisdom". Mehta also offered his dubious services to companies of precarious financial standing, among them Sterlite.

Investigations by SEBI showed that, between April and June 1998, Sterlite's scrip price moved up 41 percent, just before the company made a failed bid for the Indal Aluminium Company, even though the actual conversion price was one the company couldn't afford. Despite limited access to funds, Mehta had set up a large network of front companies. Known collectively as the Damayanti Group, it soon acquired a hefty chunk of Sterlite's floating stock, 30,000 shares of which were provided by Sterlite as a loan, through its associate Madras (see: *Business India*, March 13, 2005). Faced with problems in repayment, Damayanti began "rolling over" its positions from one bourse (stock exchange) to another, transferring them among brokers through a system of credit notes. Since there was little money to call upon, Harshad Mehta inevitably went broke. When SEBI tried to identify the front companies and link them back to him, his cronies fudged their answers and tried

covering their tracks. Finally, by tracing telephone bills, payments to lawyers and traffic with various brokers, SEBI managed to lift the corporate veil. The bureau discovered that the companies had lent Mehta funds in order to build up his concentrated position, leading to an artificial market boom and eventual implosion of the investments. In some respects, this was an earlier, Indian, version of the “Enron scam”.

The key to Mehta’s market manipulations were his dealings with three Indian companies, BPL, Videocon and Sterlite. They were barred from accessing the capital market for four, three and two years respectively. However, on appeal before the Securities Appellant Tribunal, Sterlite argued successfully that this order had no legal backing, and the company was given a reprieve from the ban. Purported new evidence provided by SEBI against Sterlite was regrettably disallowed by the Tribunal. Mehta died in 2001 of a heart attack

14. A chronology of Vedanta’s violations at Tuticorin between 1994-1995 was prepared in October 2005 by Nityanand Jayaraman, a noted Indian environmental journalist, on behalf of the Corporate Accountability Desk of The Other Media, based in Chennai. In summary, the allegations are that:

* The smelter was sited only 14 km from the UN-designated Gulf of Mannar Special Biosphere reserve, despite regulations that all industrial plants should be at least 25 km beyond the reserve

* No Environmental Impact Assessment had been prepared or approved before the company (then Sterlite) was allowed to open

* A public hearing, which is mandated before the approval of such a plant, was not held until just before Sterlite passed into the hands of Vedanta in 2003, some seven years after the smelter began operating. Even then, key units for the expansion of the plant had not been authorised, the company had begun expanding production to four times beyond its legal permit, and without the permission of the Tamil Nadu Pollution Control Board.

In September 2004 (when Vedanta Resources plc had been in control of the Tuticorin smelter for nine months), the Hazardous Wastes Monitoring Committee of the Indian Supreme Court (SCMC) found the company was violating four key conditions of its NOC (No Objection Certificate). Of special concern was the illegal storage on-site of thousands of tonnes of arsenic-contaminated slag. A week later the SCMC recommended (to the Supreme Court) that the entire expansion of Vedanta’s operation at Tuticorin should be ruled illegal

* Despite this, the Tamil Nadu Pollution Control Board (TNPCB) in April 2004 granted retrospective permission to Vedanta for the expansion

* A month later (May 2005) the SCMC demanded an explanation from the TNPCB as to why a permit has been given for illegal operations. No satisfactory explanation has yet been provided by the TNPCB

15. “The [BALCO] deal is economically irrational, politically deplorable, legally unsustainable and environmentally unsound...it violates a fundamental rights verdict of the [Indian]

Supreme Court in the landmark Samatha case, which vests ownership of Advasi land in tribal people..." (Praful Bidwai, *Frontline*, May 12-25, 2001)

16. According to the VV Giri report, employees had been "coerced" into opting for the Voluntary Retirement Scheme (VRS) while those who refused continue to face harassment to this day. One strategy adopted by Vedanta in enforcing VRS was to "humiliate workers by directly attacking their self-esteem and questioning their loyalty to the firm". Payment to those who opted for VRS was made in five instalments with a gap of six months between each payment. Out of the 1,302 employees who were granted VRS, nearly all (1,281) were paid under deferred terms. Even after accepting VRS, the company retained Rs 25,000 to Rs 50,000 from the payments admissible to voluntarily retired employees. A large number of employees in the New Delhi office and Bidhanbag unit was also transferred to the Korba Aluminium Complex and forced to accept voluntary retirement. When they protested against the transfer, "Their salaries and allowances were stopped and remained unpaid for more than seven months."

There was also a "visible decline in the school enrolment rates"; so much so that the junior school was closed and "now the company is using the junior school building as a warehouse/godown". (See: "BALCO staff 'coerced' into VRS", Akshaya Mukul, *The Times of India*, January 25, 2007). It should be noted that, in 2005, Chhattisgarh's revenue minister accused BALCO of having cut down 20,000 trees "without taking permission from the agencies concerned", in order to expand its Korba Aluminium Complex.

Vedanta was also accused in 2004 of having illegally forced villagers off their land when it raised the capital needed to complete the expansion. (See: "Land grab mud on BALCO", *The Telegraph*, Kolkata, June 18, 2005; *The New Indian Express*, June 24, 2005; *IANS*, July 13, 2005 and *IANS*, July 25, 2005

17. In mid-2005, the chief minister of Chhattisgarh, Ramon Singh, admitted that these early removals were unacceptable, after 20 of the affected families testified that the new mine had "totally devastated" their homes and agriculture. Singh reportedly ordered the district collector to ensure early and proper rehabilitation of the families, providing them with viable alternative land and accommodation, and appropriate compensation. On a field visit paid to the site in May 2006, a joint India-UK investigative team was unable to confirm that any such measures had been taken or were envisaged for others who would be forced to move during the future life of the mine

18. MALCO's integrated aluminium facilities at Mettur, in northern Tamil Nadu, display some of the worst health and environmental impacts of a notoriously polluting industrial sector, as well as toxicity from an unsafe coal-fired captive power plant. Vedanta claims it is disposing of MALCO's vast residues of "red mud" (caustic soda wastes) and fly ash by using them in bricks. In itself, this is a highly questionable "solution" and would, in all probability, take years to fully implement. Meanwhile, the red mud oozes onto agricultural land, contaminates water resources and kills animals. Emissions from the refinery and power plant blight the lives of numerous local residents, in particular Dalits.

In April 2005, many of those affected by MALCO testified before an “Investigation into the Environmental and Human Rights Violations of Chemplast Sanmar and MALCO Ltd”, organised by the Indian People’s Tribunal on Environment and Human Rights. The witnesses, some of them workers, spoke of suffering from a range of ailments, including serious respiratory, skin and eye diseases, stomach disorders, chest and limb pains

19. See: *A Brief Report on Ecological and Biodiversity Importance of Nyamgiri Hill and Implications of Bauxite Mining*, Environmental Protection Group, Orissa, June 2005
 20. See: Central Empowered Committee report in IA No. 1324 regarding the alumina refinery plant being set up by m/s Vedanta Alumina Limited at Lanjigarh in Kalahandi district, Orissa; Delhi, September 21, 2005
 21. See: *Studies on impact of proposed Lanjigarh bauxite mining on biodiversity including wildlife and its habitat*, Wildlife Institute of India, Dehra Dun, August 2006
 22. Information from Forest Case Update, Delhi, December 2006
 23. In late April 2007, Vedanta beat Lakshmi Mittal’s Arcelor-Mittal in acquiring India’s biggest exporter of iron ore, Sesa Goa. Rio Tinto (the world’s second biggest iron-ore exporter) had dropped from the running a couple of months before. After over-reaching itself in the recent takeover of Corus (and now having to forage for new finance), Tata Steel wasn’t even in the final running. (See “Vedanta buys 51 percent of India’s Sesa Goa” by Mark Potter and Emi Emoto, *The Scotsman*, April 24, 2007.)
Vedanta says it will finance the Sesa Goa acquisition through “newly committed bank debt facilities of US\$ 1.1 billion and existing cash resources”. The obvious immediate question is where this leaves its further financing of the planned expansion of bauxite-to-aluminum facilities in Orissa (although Goa’s iron ore has a high alumina content, and bauxite is also mined in the state). But, by waving its card as indisputably India’s largest and most diversified mining company, and with the deal increasing its market capitalisation on the London Stock Exchange to around £4.1 billion, the company is not likely to be overwhelmed in trying to raise further debt funding from its old US and European banking accomplices
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How Green Was My Mountain

BY NEERAJ AGRAWAL

In Mainpat, once known as the only hill station in Chhattisgarh, black dust fills the air because of Sterlite's bauxite excavations. Across the state, the company flouts regulations with impunity and goes back on the promises it made to those displaced by its projects. The government, instead of taking action against Sterlite, rewards it with privileges that no other company enjoys

Forty-five-year-old Jagardev Yadav, a resident of Mainpat, has some heartfelt if pithy advice for anyone planning to construct a house in Chhattisgarh. “First find out if the land is situated in an area rich in minerals such as bauxite or iron ore,” he suggests.

Yadav, who was born in Mainpat, was recently jailed and beaten up by the Surguja police. His offence? He opposed Sterlite’s bauxite extraction in Mainpat — though not for the first time and perhaps not the last. He refused

to vacate his land, which Sterlite had acquired for its mines, unless he was “rehabilitated”. The administration typically reacted by picking up eight of his family members, including women and children. After a few residents intervened, the women and children were released from the police station, but not Yadav. He was illegally held in custody and his arm was fractured by the police. When he was finally released, he complained about the matter to the district administrative officers and the home minister, with the help of a non-government agency called Mainpat Bachalo Sangharsh Samiti. Everyone promised an enquiry but even a month after the ghastly incident, no action has been taken against the erring police officers. Yadav, who used to work as a casual labourer, now has to sit at home because of his broken arm. There is no money, or food, for his wife and children.

Yadav’s is not a unique story in Mainpat, once known as the only hill station in Chhattisgarh because of its location 990 metres above sea level in Surguja district. At one time, there was a winter nip even in summer in this lush green area. Today, however, it would be hard to catch a wisp of those days in this region, which has been denuded of all its greenery. Noisy trucks forever ply on the town’s wide, dusty roads, which were once narrow paths lined by 100-year-old trees. Black dust from the excavations, now being carried out all over Mainpat — spread across 28 square kilometres — fills the air. The trucks add to the dust and the pollution. Clearly, the sought-after bauxite under their homes has become a bane for Mainpat’s residents.

The Bauxite Story

It’s estimated that 57.54 million tonnes of bauxite can be mined from Surguja; this number amounts to 57 percent of all the reserves in the state. Out of these 57.74 million tonnes, 42.21 million tonnes fall under the “proved” category of reserves, 13.56 million tonnes under the “probable” category and the remaining 1.76 million tonnes under the “possible” category. The title of the categorisation reflects the likelihood of finding, and extracting,

the bauxite reserves. About 51 million tonnes of the total reserves are of metallurgical grade, while the grade particular of the rest six million tonnes are not known. The deposits that can be most economically mined are located in the *pat* (the local name given to plateau or plateaux) region of eastern and southeastern Surguja, including areas such as Mainpat, Samari and Jamirapat.

On July 2, 1992, around 639.169 hectares of land in Mainpat was leased to the public undertaking Bharat Aluminium Company Limited (BALCO) for 20 years, for bauxite excavation. At that time, Mainpat was a part of Madhya Pradesh. Three hundred and twenty-five acres of the land that was leased to BALCO belonged to the Manjhi-Manjhwar tribes of Mainpat. The tribals and Dalits living in Mainpat were led to believe that BALCO would compensate them for their land with money; they were also promised employment, alternative land, and overall development in the form of schools and hospitals.

As has become the norm in most projects that involve displacement and rehabilitation in India, the promises were either half-met or entirely forgotten. Some people were given less than half the amount due to them for the land; for instance, BALCO gave some of the displaced a compensation calculated at the rate of Rs 12,000 per acre of land though the government-set rate of land in the area was Rs 50,000 per acre. Many people were not lucky enough to receive even this meagre amount. In 1992, around 112 people lost their land but only 50 received compensation. The rest were forced to run from pillar to post in search of an elusive justice. When nothing worked out, a few people even started working on daily wages for the same company that had occupied their land.

Many families that had been living in Mainpat for decades had to leave their homes and migrate in search of food and shelter. Those who continued to live here were forced to work for private contractors who did excavation work for BALCO. None of the displaced got a job in the real sense of the

word. These workers did protest against the company's atrocities but BALCO and its patrons muffled their voices.

When Chhattisgarh was carved out of Madhya Pradesh on November 1, 2000, the tribals and Dalits hoped that their grievances would now reach the new state government. But a few days later, BALCO was sold to a private company — the Sterlite group (also see page 83). Sterlite bought a 51 percent stake in BALCO for about Rs 551 crores and took over the company's management. It was the first public sector undertaking to be disinvested under the National Democratic Alliance (NDA) government at the Centre.

After Sterlite took over, workers at BALCO's Korba Aluminium Complex were retrenched. Sterlite management also shrugged off its responsibilities towards the workers in Mainpat. But as the workers started to put pressure on the company, the Sterlite management made a few promises. These were clearly not meant to be kept; the management wanted the workers to excavate certain new parts of Mainpat so that it could expand its aluminium company at Korba.

Homeless in their Homeland

The farmers whose land was taken over by Sterlite were promised huge compensation. Instead, they found themselves at the mercy of private contractors. All this happened in the blink of an eye — the farmers didn't even realise when or why they had turned from being cultivators to workers. Not only did they lose their land and their houses, but they were also forced to live in small camps or rented houses.

Along with the agricultural areas, the crops also disappeared. The quantum of paddy produce reaching local co-operative societies for sale reduced rapidly. The situation was terrible this year; while the government could purchase thousands of tonnes of paddy from co-operative societies in every development block in Surguja district, not even a single kilo of paddy reached the

co-operative society at Mainpat for sale.

Even the few farms that weren't acquired by the Sterlite group weren't able to harvest a crop. Somnath Manjhi, a 70-year-old resident of Kudaridih, a village in Mainpat, says, "Deep-hole blasting is done for excavating bauxite, and this has a violent impact on the whole area. It creates cracks in the farm land, and farming cannot be done on cracked surfaces." The blasting has also caused an increase in health problems among the residents, with people suffering mainly from ophthalmic and otologic infections. Despite all this, the farmer-turned-workers do much of the work in Sterlite's mines. They earn meagre wages though they work in some of the most dangerous conditions in the mines.

The contractors, meanwhile, exploit the workers to the utmost. There have even been instances when the contractors, after employing the workers for months, settled their accounts with Sterlite and disappeared without paying the workers. (Sterlite has repeatedly given contracts to people who have a history of cheating workers. This is despite the fact that workers have complained to company officials about the contractors' fraudulent activities. Sterlite, however, claims that it's an issue to be settled between the contractors and the workers.)

Rambali Yadav of the Indian National Trade Union Congress, a workers' organisation, has a long list of workers who have been exploited. For instance, there is the case of a private group called Balaji Metal and Mineral Company, which excavated and transported bauxite for Sterlite on a contract basis. After collecting their payments, the company's officials vanished. The workers of this company have to be paid outstanding wages of Rs 1 crore and 80 lakhs. Worse still is the fact that the state government, though fully aware of the company's vile acts, tried to get Balaji to undertake contract work for its Chhattisgarh Mineral Development Corporation (CMDC). Says Rambali Yadav, "Not only was no action taken against the company, but government

officials tried to make Balaji a contractor for the CMDC. Our strike forced them to postpone their decision on handing over the contract to this company, but from this very act, one can understand what the intentions of the people involved with Sterlite and the Chhattisgarh government are.”

If statistics provided by Sterlite group are to be believed, around five lakh tonnes of bauxite can be excavated from Mainpat annually. According to the figures for 2005-06, Mainpat produced 565,301 TPA (tonnes per year) of bauxite. In spite of reaping such rich dividends, Sterlite never bothered to pass on even a few benefits to its workers.

Around 4,500 people are said to be working for the company, undertaking tasks ranging from excavation to logistics. But the workers don't get any of the benefits that are mandated under the company's own employment rules. For instance, the workers are entitled to receive bonuses, but they have never been given any. Pregnant women workers are supposed to get Rs 40,000 for their medical and delivery payments but not one of them has received any money for the past one-and-a-half years. Women workers are also entitled to maternity leave and are supposed to be paid during their leave period. But not one woman has received this benefit.

The company's rules prescribe that workers should get housing, and that educational facilities should be provided for the children. But the company has taken no steps in this direction. Besides, even the most basic of safety gear is not provided to the workers though this is mandatory. Workers don't have helmets, boots or caps, and people have lost their lives because of these reasons. There are no health facilities on or near the excavation sites either. There is no talk of compensation when a worker dies onsite. No one takes the onus for the loss of a life, least of all the company.

No Penalties, Only Rewards

It's ironical that Mainpat, once known by the sobriquet 'Shimla of Chhattisgarh', is so polluted that people have stopped visiting it. Its landmarks, such as Kudridih, Kesra, Barima and Sapnadar, are now mere mining spots of the Sterlite group.

Just like its predecessor BALCO, Sterlite has shown no concern whatsoever for the environment. Mainpat's climate itself has undergone drastic changes because of the deforestation in the area. Manoj Pingua, the then Surguja collector who was recently transferred to the post of director (tribal welfare), pointed out that the company had ignored all the rules and regulations while excavating bauxite. When the lease was initially inked with BALCO, over 9,000 sal trees stood on the land. When Pingua surveyed the area, he found that Sterlite had cut down 4,000 trees illegally, including sal and other trees.

In the light of the illegal tree chopping, Pingua recommended to the government that the lease agreement with Sterlite should be abrogated. The government instead ordered an investigation, which confirmed the already known fact of the illegal cutting of 4,000 trees. Pingua forwarded the report to the government, once again recommending that the lease be scrapped. However, in what has become a routine state of affairs, no action was taken against Sterlite.

In fact, while Sterlite indulges in illegalities such as chopping down trees, the government rewards it by increasing the production capacities of its mines. Permission was given to increase the production capacity by six lakh tonnes in the Kudam mines of Mainpat, by four lakh tonnes in Tati Jharia of Kusumi and five lakh tonnes in Samari. All this was done without the people of Mainpat knowing about it, though a 'public hearing' purportedly took place on the subject. The few who knew about it weren't allowed to participate in the so-called 'public' meeting. On the other hand, Suresh Chandra, the area

officer of the Environment Conservation Board, claims that action has been taken against Sterlite for increasing its production capacity in one of its mines — the Barima mines — without securing permission. The matter is now in court, he says. Chandra also adds that public hearings were held when the production capacities in the other mines were increased with government permission. According to him, no objections were raised at the meetings.

Nevertheless, there have been several instances when government officials and Sterlite have been at loggerheads over issues such as illegal excavation of bauxite, and the company's failure to level mine surfaces or take steps for local development. On certain occasions, Sterlite has even had to stop its bauxite excavation work because of this conflict. However, no matter how many rules Sterlite violates — and this is indeed a common occurrence — things always work out in the company's favour.

Rules are for Others

The area in which Sterlite is carrying out bauxite excavation in Kabirdham, the home district of state chief minister Raman Singh, has also seen its fair share of controversies. No private company has been given the right to excavate bauxite from the mines in this area, but Sterlite seems to enjoy special privileges. The company excavates 300,000 metric tonnes of bauxite every year.

Over four decades ago, the Madhya Pradesh government declared that all the bauxite in Kabirdham (which was then in Durg district) was reserved for public undertakings. It even issued a notification to this effect (number 2918/ 2875/12) on June 16, 1969. It was on this basis that BALCO was granted the lease of this area. When BALCO's rights were transferred to Sterlite after its disinvestment on March 2, 2001, it should have been automatically understood that Sterlite, being a private and not a public company, would not have rights on the Kabirdham mine. However, Sterlite managed to retain control over the mines.

Does this mean that the Chhattisgarh government does not consider the Madhya Pradesh government notification valid? Far from it. After Sterlite was granted the lease of the Bodai-Daldali mines in Kabirdham, seven private companies applied to the government for permission to work in the bauxite mines in Banki area in Kabirdham district. But these applications, which the government received between 2003 and 2004, were rejected on the basis of the Madhya Pradesh government's 1969 notification. If, as the government says, private companies cannot mine minerals in this area, why has Sterlite been given special permission?

Moreover, it's widely believed that Sterlite has also mortgaged the mines in Kabirdham and Mainpat for loan purposes. For the company's version of events, this writer contacted Deepak Pachpore, the head of public relations of the company, several times, but was told that he was "busy" each time.

Chandra Shekhar Dubey, a Member of Parliament who is part of various mineral committees, says that Sterlite mortgaged the original mining lease deeds of Mainpat, Sarguja and Bodai-Daldali Kabirdham mines to the Infrastructure Leasing and Financial Services Trust Company Limited for a long-term loan in October 2004. This, he points out, goes against the lease agreements. Dubey demands that the government terminate the shareholder agreement with Sterlite because of the company's violations, and also ask the Central Vigilance Commission or the Central Bureau of Investigation to look into the matter.

Besides, Sterlite, which was granted a 30-year lease for excavation in an area spread across 591 hectares in Kabhirdham, started its work without rehabilitating the displaced people, many of them Baiga tribals. Fifty-two families had been displaced because of Sterlite's work at the time of writing.

When the Sterlite management acquired the Baigas' land in Semarsenta, Daldali, Rabda, Kesharmada and Munda Dadar villages, located about 100

kilometres away from the Kabirdham district headquarters, it made many promises to the tribals. But the company didn't keep its word. Instead, it now says that it's up to the Chhattisgarh government to provide land to the displaced tribals. Once the land is allotted, the company will fulfill its other assurances, it claims. The tribals had demanded relocation to an area with proper facilities, and jobs for at least one member of each displaced family. But, as the government takes its own time to reply to the land question, Sterlite is busy converting the farms of tribals into pothole-filled, barren land.

Displaced tribals say that Sterlite started excavating bauxite on January 1, 2004, after acquiring 591 hectares of land, 300 of which belonged to farmers. The Baiga tribals owned 100 hectares. According to Roop Singh Udde, a resident of Semersanta, the government and the Sterlite management relocated 50 percent of the displaced Baiga tribals in Semersanta village to Baijalpur, Tarsingh, Singhari villages in 2004. They were, however, not given any land for farming and were also deprived of basic facilities such as hospitals, schools and roads. As Udde says, "We had 12 acres of land in the name of my father. Sterlite started its excavation work on that very land, and it has been dug up completely. As compensation, the government relocated my father to Baijalpur. But no one has come to enquire about how we have been surviving." There is no question, clearly, of giving the displaced jobs, though their only source of income — their land — has been brutally taken away from them.

On January 7 this year, the tribals started a strike, demanding a ban on Sterlite's excavation. But after seven days, the government managed to convince the tribals to call off their protest by assuring them that the land was only being demarcated, and that excavation wouldn't start till they were compensated with alternative land. The district administration also assured the tribals that their problems would be sorted out in two months, but nothing has happened till now.

NS Chaudhary, the manager of the Daldali mining area of Sterlite, says

that the government is handling the land issue. He adds that Sterlite has already deposited money with the government for acquiring land and that the relocation process is expected to start soon. But he has nothing to say about Sterlite's promise to give jobs to one person from each displaced family.

Underhand Dealings

Apart from renegeing on its promises and assurances to locals, and violating government rules with impunity, it's believed that Sterlite has also not been entirely truthful about the reasons why it has been increasing the capacity of its Mainpat and Bodai-Daldali mines. Its Korba Aluminium Complex, with a capacity of two lakh metric tonnes per year, is able to run on the bauxite from Mainpat (four-and-a-half lakh metric tonnes) and Bodai-Daldai (three lakh metric tonnes). However, Sterlite applied for permission to expand both these capacities, under the guise that it needed the boosted production for enlarging its Korba refinery. Sterlite wanted to increase its capacity by three lakh metric tonnes at Mainpat and at Bodai-Daldai by nine-and-a-half lakh metric tonnes. Incidentally, while kicking off the work at these mines in 2003, Sterlite had stated that it would use the bauxite for starting an alumina refinery and ammonium smelter with a production capacity of six lakh metric tonnes. But curiously, this refinery hasn't moved beyond the planning stage.

According to Dubey, Sterlite's real interest in expanding these mines has nothing to do with Korba. "Sterlite wants to run its refinery in Lanjigarh (in Orissa) with the bauxite from Mainpat and Bodai-Daldali," he says. But the mines themselves had been leased to Sterlite on the condition that the bauxite excavated would be used only in Chhattisgarh, Dubey adds.

A journalist questioning these discrepancies is told that no one in the Sterlite group has the time to clear the air. A local asking these questions often ends up in jail. Yadav, who was behind bars for no reason, is a prime example of the company's underhand ways. ■

Under a Black Sky

BY RANJAN K PANDA

Thousands of families have been stripped of their right to a dignified existence because of Orissa's mining and industrial projects. Many of those displaced have not been rehabilitated or given employment. The pollution caused by collieries, such as those run by Mahanadi Coal Limited, has adversely affected the climate and made the state's coal belt one of the most hazardous zones in the country

Manglu Pradhan owned 30 acres of agricultural land in Darlipali village, in Orissa's Jharsuguda district, a holding big enough to earn him the title of *gauntia*, or village head. But he died a shattered man two years ago. By then his once close-knit family unit had disintegrated and neither he nor his sons had the resources for treating the illnesses that finally took his life.

One doesn't have to look far for answers to find out where Pradhan's story went wrong. His fertile, cultivable agricultural land was acquired by the central government-owned IB Valley Coal Zone, now known as the Mahanadi Coalfields Ltd (MCL). The compensation amount he got could only buy five acres of land in a place that was 25 kilometres from his village. Panchanan, one of the late Pradhan's sons, says, "The price we paid for the new land was six times higher than what we were given as compensation for our land."

Panchanan is the only one in the family who has chosen to remain in his village. Ironically, he is a daily-wage worker for a coal mine contractor who mines in the very area that was once part of his father's property. His three brothers stay in a faraway village, where they have bought five acres of land that's much less fertile than the area they had to give up. Besides, in the land that now belongs to the coal company, they had 30 economically valuable mahua trees, whose flowers they sold to country liquor makers. They easily earned between Rs 1,000 and 2,000 from each tree every year. The five acres of land that Pradhan's other three sons now possess do not have a single such tree.

About 35 miles away by road from Darlipali is a rehabilitation colony called Matlu Camp. As the crow flies, the distance between both the places is quite less. But the road journey is longer because of the Hirakud reservoir, whose waters separate the two villages. The inhabitants of both the places, however, share a similar fate. The villagers were displaced and made to undergo immense suffering.

Those living at Matlu Camp were first displaced in the mid-1950s, when they were forced to vacate their land to make way for the Hirakud reservoir. Another 50 years later, the Hindalco Aluminium Company's captive coal mines resulted in their having to move again. The 144 families displaced, mostly belonging to Dalit and tribal communities, lost their sources of livelihood: their land and forests. Their only solace was that the second time

around, they did not have to shift far from their ‘original resettled habitation’. “We have been resettled in our own village areas, otherwise things would have been worse for us,” says Saudagar Rohidas, a Dalit.

Some of those displaced were ‘rehabilitated’; they were given jobs but their situation only worsened. Take the case of Munulal Turi, who had over six acres of cultivable land. MCL acquired his land for mining and gave him a job as a labourer at the No 3 underground mine in the IB Valley coal mine area. Turi suffered from eye problems and poor health in general, and was in no physical condition to bear the rigours demanded by the work in an underground mine. He sought a transfer to an opencast coal mine; at this time, his house was ‘acquired’ by MCL once again and his family was asked to move to a ‘rehabilitation colony’. Turi agreed on one condition: his transfer should definitely come through. But it never did. He was forced to leave his job, given to him as ‘compensation’, because of his ill health, 14 years after he kept at it relentlessly. “Now I don’t have either my land or my job,” mumbles Turi, who has a daughter and a 20-year-old grandson. The coal company refused to give his job to his grandson for an implausible reason: as he is the son of a daughter, the company does not consider him as Tuli’s heir!

Tuli is a member of the Betra community, which once made a living out of weaving bamboo baskets. He says, “Bamboo is not available at the place where we have been resettled to. The rich bamboo forest area has been mined away.” He pauses to add, “We have nothing left now, we are beggars.”

The Colour of Money

There are thousands of families like the late Pradhan’s and Tuli’s, families who have been stripped of their right to a dignified existence because of Orissa’s mining and industrial projects and resultant displacements. Coal mining, in particular, is one of the prime culprits. Orissa accounts for 27.6 percent of the 253.30 billion tonnes of coal reserves that India has (as on

January 2006). The state is estimated to have coal reserves of about 61,991 million tonnes.

Most collieries are run by MCL, which was recently honoured with the ‘mini-ratna’ status by the central government. This status ensures that the company has more financial and operational autonomy, and acknowledges that it has met all the “eligibility and classification conditions laid down by the Department of Public Enterprises”. Unfortunately, this status is no reflection of a company’s sociological and environmental awareness, or conscience. In fact, the status, by judging a public company solely on economic terms, makes a mockery of the people and the environment that pay the price for its commercial success. The extent to which companies neglect the people affected by its operations can be gauged from the fact that Coal India Limited paid a dividend of Rs 1,500 crores this year, but did not set aside a penny for hapless people like the late Pradhan’s family.

Among all of Coal India’s subsidiaries, MCL is the youngest one, having been incorporated on April 3, 1992. Its authorised share capital is only Rs 500 crore, the lowest among all nine of Coal India’s subsidiaries. Yet, when it comes to profit, MCL contributes the second highest amount — after National Coalfields Ltd — to the Coal India kitty. From its 22 mines in IB Valley, spread across Jharsuguda, Sambalpur and Sundargarh in western Orissa, and its Talcher coalfields in Angul in central Orissa, MCL earned a profit of Rs 1469.36 crores in 2004-05. The company is also on an expansion overdrive. After the nationalisation of coalfields in India, MCL was allotted 35 projects with an ultimate capacity of 103.09 million tonnes per year, the highest among all of Coal India subsidiaries. Nineteen of the 35 projects have already been completed; in some projects, the coal reserves have long been exhausted.

How a Forest Became a Desert

Even if a coal mine ensures good profits, its success has to be measured against its sociological and ecological costs. Till December 2005, MCL had

acquired about 28,158.69 hectares of land in Orissa. More than 52 percent of this land was obtained for the IB Valley coal fields. Despite taking over such a huge area of land, MCL has employed a mere 21,016 people, of whom only 917 are women. The percentage of Project Affected Persons (PAP), or of those displaced and ‘rehabilitated’, in this statistic is even more minuscule.

The area that MCL is mining is increasing, but the number of people it employs is decreasing consistently. The coal production from MCL’s coalfields grew by over 67 percent after 2001 but its employee strength fell by seven percent during that period. The company likes to describe this phenomenon as ‘strategic rationalisation of employment’. Coal India does consider employing PAPs as a “critical area of concern”, but at the same time, believes that giving them jobs leads to “a serious mismatch between the skills required and persons available”. No doubt, this goes against their philosophy of “strategic rationalisation”.

The land where IB Valley now rules was once one of the most fertile zones in Orissa, dense with tropical deciduous forest, covered with sal trees. Now the area is a virtual desert, with almost no tree or shrub cover to speak of. This is nothing new. Huge tracts of forest land have been taken over by mining projects all across Orissa. From 1982 to the year 2004-05, about 30,331 hectares of forest land was converted to non-forest area for various projects.

“The mining sector is the largest forest gobbler. Nearly 34 percent of all the forest areas converted to non-forest areas in the state are for mining projects, and from that, over 53 percent are for coal mining,” says Bimal Pandia, a researcher studying the issue. But it’s not just the mines. Business or industries that stem from such mining activities also gobble up forest land. In the 1982- 2004-05 period, 2,425 hectares of forest land was converted to non-forest land for industrial projects. All such industries were dependent on minerals — mainly coal — and to minimise their cost of production,

they set up their bases near the sources of the principal raw material they required.

That may not be all. “Actual forest loss is many times more than what is officially announced,” says octogenarian professor Durga Prasad Nayak, also an activist. “It’s shameful. The destruction that is going on, and the suffering caused to the community because of it, are so painful that I cannot remain quiet,” he adds.

One poignant story is that of Saudagar Rohidas, a resident of Matlu Camp. He had four acres of land with many sal, char and mahul trees. His area was not acquired for mining, but the land below his was. The company cut off all the trees there to start mining and dumped the overburden — that is, the surface soil removed to reach coal seams and mineral deposits — just below his land. The soil choked a stream that was draining water, and subsequently, Rohidas’ land became a virtual reservoir. There was no way he could continue cultivation in his agricultural land. Not only have his agricultural activities stopped, but the trees have also started dying. Though his land was not taken over by the mining company, the impact that Rohidas suffered was the same. And there are thousands of others like him.

Double Jeopardy

Mining alone has a terrible impact on the community that’s displaced to make way for the project. But in the case of the IB Valley mining project, the effect is multiplied many times over. This is because the Valley also houses the largest artificial reservoir in Asia, the Hirakud reservoir. The IB Valley is situated to the northeast of the reservoir, which spreads across 746 square kilometres. Coal mines such as that of Hindalco’s practically begin from the reservoir bank. The availability of water and minerals in the area means that a number of industries have rushed to the site to exploit these resources.

Out of the 27 major industries that have already established or are at an

advanced stage of setting up their units in the IB Valley region, 23 came up after 2002. Twenty-two of them are sponge iron factories while one is a full-fledged, integrated iron and steel unit. Almost all units have captive thermal power plants. Besides the new units, the existing major industrial units such as Hindalco Aluminium, IB's thermal power plant and Tata Refractory have also expanded their capacities. Two aluminium projects in the area have already been granted Special Economic Zone status. Meanwhile, waiting in the wings are mega plants such as the Vedanta Aluminium plant and the Reliance mega thermal power project.

There seems to be no end to the list of new companies keen on setting up their units in this area. Along with that, the stories of a suffering community, and an increase in pollution and the factors responsible for rapid micro- and macro-level climate changes, are also growing.

Already, the region's ecology is under severe strain because of the large area across which the reservoir is spread. "At least 58,200 hectares of forest was directly submerged under the reservoir," estimates professor and environmental expert Artabandhu Mishra. The trees were not cut down and were left to be submerged by the water. Mishra zeroes in on the Hirakud reservoir system as the main reason for the rapid desertification around the reservoir and the climatic changes seen in the region. He says, "When the earth is covered with trees, it ensures two things: evaporation and transpiration, which means that water is drawn from the soil and sent to a cloud. But the transpiration effect is now gone. Moisture gathers around the clouds when the monsoon clouds pass over the reservoir, and therefore, in its northeastern side, there is a lot of rain. But it also causes severe and recurring droughts in the opposite side of the reservoir."

The situation has become so alarming now that in the recently published *State of Environment Report-2006*, the Pollution Control Board (PCB) categorised the Jharsuguda-Sambalpur-Bargarh corridor as one of the 'Most

Hazardous Zones' in the country. The report warns, "Regional impact assessment is necessary before planning future industrial activities."

Black Diamond

An independent draft study report commissioned by the World Bank notes that Orissa is not equipped to handle the rapid industrial and mining rush that it's now seeing. Says the study, "Few economies could absorb the magnitude of change in the mineral and industry sectors being envisaged for Orissa without monitorable progress with institutional reforms." Such reforms, however, are unimaginable in Orissa, where mining is conducted without respect for rules and regulations. As the draft report notes, over 95 percent of the industries and mines don't submit environmental statements; the Orissa Pollution Control Board (OPCB) has no jurisdiction over 50 percent of all mines; and the number of industries and mines that do not apply to the OPCB for permit renewals exceeds 30 percent. The study, being prepared by a New Delhi-based organisation, also points out that the current enforcement mechanisms do not match the scale of diversity and growth rates in the state.

It goes without saying that the region is already witnessing massive climate changes. While Orissa's average rainfall in the past 25 years has gone down by 8.5 percent of the normal level of 1482.2 mm per annum, Sambalpur district's average rainfall in the same period was over 15 percent less than the normal rate. In Jharsuguda district, the rainfall was less than normal in 10 out of the past 13 years. A paper published on the characteristics of heavy rainfall over Orissa in 2005, jointly written by UC Mohanty, professor in the department of atmospheric sciences at the Indian Institute of Technology, Delhi, and M Mohapatra of the India Meteorological Department, Guwahati, reveals that rainy days are decreasing by one day every five years in the southwestern parts of the state.

Likewise, the average of the highest temperatures recorded in Sambalpur, the principal city near the industrial zone, has increased by 6.6 degree Celsius while an average of the lowest temperature shows that it has decreased by 5.1 degree Celsius. Temperature extremities have become far more severe in Sambalpur and Jharsuguda regions. Similarly, the highest temperature at Talcher has been consistently hitting over 50 degree Celsius for the past few years.

The people who live in the land of the ‘black diamond’, a euphemism for the coal found here, have every reason to apprehend a dark future. The Jharsuguda district lost 44 percent of its forest area in just nine years, from 1994-95 to the year 2003-04. “Remember, this only means that 44 percent of forest land was converted for industrial purposes. It does not reflect the true forest-cover loss. That will surely be far more,” says activist Ashok Singh. For instance, the land that has turned barren or has become unfit for agriculture has jumped from just 1,280 hectares in 1998 to 12,000 hectares in 2005.

Yet, this hasn’t stopped the Orissa government from rethinking its plans to become an energy powerhouse (mostly through coal-fuelled power generation units) and a steel hub. The new units will come up in IB Valley and the Talcher region. Already the government has signed Memoranda of Understanding (MoU) for 45 steel plants and for coal-fuelled thermal power plants with a capacity of 11,920 megawatts.

Power generation units, in the meanwhile, are establishing bases of all sizes and capacities. Reliance is set to establish the biggest of them — a 12,000 MW capacity thermal power plant near Jharsuguda. The power generation capacity of the existing IB thermal power plant is also expected to be doubled.

The coal belt is sure to bear the brunt of these industrial concentrations. “In just a few years, the IB Valley-Hirakud reservoir corridor and the Talcher-

Brahmani river corridor will become the largest contributors of Green House Gas (GHG) emissions in South and Southeast Asia,” warns Bishwajit Mohanty, an environmental activist. Daphne Wysham, environmental researcher and a fellow at the Washington-based Institute of Policy Studies, sums up the situation in the IB Valley and Talcher coal fields as “death and destruction in India’s coal belt”, which the locals themselves describe as “strangulation”. On her visit to the IB Valley, Wysham was shocked by the rampant “human and environmental degradation and humiliation” in the area.

Beneath the ground in this land are huge deposits of black diamonds while up in the sky, the air is thick with the heavy, black, toxic smoke emanating from burning coalfields, blazing blast furnaces and chimneys. As professor Nayak says, “The local poor people are always at the receiving end. They don’t have a voice. These industrialists and their sympathisers are unable to see the people who are suffering, and the administration has become deaf to their plight.”

Forgeries in Steel: We Also Make Poverty

BY ASHLY HINMON

The Chhattisgarh government claims industrialisation is the path to ‘development’ and presents it as a solution to the state’s Naxalite conflict. But progress and displacement cannot go hand in hand, especially when the government and corporate houses show scant regard for tribals’ rights. The tribal communities are also unlikely to place their trust in policies that promise their betterment while ignoring their concerns

“Check All Strangers and Suspicious Persons — They May Be Enemy Agents,” declares an ominous sign hanging in the security office of the National Mineral Development Corporation (NMDC) in Bailadila, Chhattisgarh. A list of admonitions stands next to it, warning employees against mentioning official secrets in private letters and advising against panic in case of an “emergency”. Though faded and coated in dust, these caveats

seem increasingly relevant now, with the Bailadila mining complex becoming, in the words of the NMDC, “prone to Naxalite attacks”. The corporation’s staff and property have been targeted in frequent Naxal offensives.

In the turbulent land that is today’s Chhattisgarh, this conflict raises key questions about the price of development: can industrialisation ensure equitable access to resources and win over disgruntled groups such as the Naxalites, or will it sharply delineate already skewed equations? KR Pisia, the district collector of Dantewada district, is sure that the change will be for the better. “The Naxal problem will be eliminated by industrialisation,” he claims. OP Pal, the Dantewada superintendent of police, concurs: “Once development takes place, the conflict will vanish.”

The words of the two officials reflect the official line. Even as Bastar witnesses unprecedented violence, the state government has been busy clearing investment proposals. After Chhattisgarh was anointed a state in 2000, the government has formulated several policies to promote development, doling out incentives to industries keen on investing in “economically backward areas” such as Bastar.

Yet, whether the state’s whole-hearted support for industrialisation will translate into people-centred projects remains a moot question. What is clear, however, is that the future of the conflict, indeed of the people in the region, will depend on how the intended development finally takes place.

Industrialisation Vs Poverty

Inarguably, several parts of Chhattisgarh are “underdeveloped”. Most rural areas lack basic infrastructure, and there is a shortage of hospitals, roads and education facilities. According to the 2001 census, about three-quarters of Dantewada’s 1,220 villages are almost entirely tribal. Of these, 1,161 villages have no medical facilities and 214 don’t even have primary schools. The

literacy rate is 29 percent for men and 14 percent for women. The infant mortality rate is approximately eight percent statewide and almost 10 percent in rural areas.

Many politicians in Chhattisgarh say that industrialisation will improve the quality of life of the average Chhattisgarhi. The Bastar region is particularly rich in minerals, and, as Ramesh Warlyani, a former Member of the Legislative Assembly and current spokesperson for the Congress party, says, “If they utilise the raw materials, that region will be rich in all areas: employment, education and health facilities.” Warlyani also believes that industrialisation will reduce the Naxal presence. “Unemployed people who have been attracted to the Naxal movement will get jobs because of the industrial growth and come back into the mainstream,” he says. Ultimately, this will improve the standard of living of the people and promote greater stability overall, he adds.

The Chhattisgarh government has been vigorously pursuing the idea of industrialisation by pushing ahead the Promotion of Industrial Development Act (2002), the Chhattisgarh Industrial Policy (2004-2009) and the Special Economic Zones Act (2005). These acts and policies, which provide subsidies, tax breaks and such other goodies, are meant to entice corporations to set up shop in Chhattisgarh. One policy that makes the government enthusiasm abundantly clear is the manner in which deadlines are fixed for the government approval of all projects; as bonus, automatic approval is mandatory if the government fails to make a decision within the rigid dates that have been set.

These policies appear to have worked well. Many national and multinational companies have signed Memorandums of Understanding (MoU) with the Chhattisgarh government. After the Promotion of Industrial Investment Act was implemented, 55 MoUs were signed for steel, power and sponge iron plants, and for mines and aluminum smelters across the state.

Clash over Resources

The Bailadila range, divided into 14 deposit zones, is said to contain one of the world's largest and best iron-ore stocks. It's estimated that these deposits will last for the next 50 to 100 years. Bastar, sandwiched between the rich iron-ore deposits in southern Chhattisgarh and the coal deposits in the north, has become a focal point for India's steel industry, which depends on both iron ore and coal for the production of steel. Mining iron ore is the first stage in making steel, and each step of processing creates a more refined and valuable commodity.

For a long time — since 1968 to be exact — the NMDC has been extracting iron ore from the Bailadila mines, more than half of which is exported to Japan. The corporation holds mining leases for three deposits, and sells iron ore to Essar Steel, among others. However, in October 2005, Essar applied to the government for getting its own mining lease in the Bailadila range, and Tata Steel followed suit in March 2006. Essar has already received the green signal for its proposal from the central government. This has not gone down well with the NMDC, which is planning to challenge the move in the State Mining Tribunal. The corporation's argument is that it had been granted the right to the same deposit given to Essar.

Tata and Essar are, meanwhile, working on setting up two steel plants in Dantewada district. Essar representative Vijay Kranti claims that the steel company will generate employment for the locals. Besides, the state stands to benefit from the high taxes the company will be paying, he says. Managing director of Tata Steel, MB Muthuraman, has another contention. He says that exporting raw iron ore, as NMDC does, goes against national interest.

The current discord is an indicator of the eagerness with which various agencies are trying to quickly carve up Chhattisgarh's iron resources between themselves, unmindful of the interests of the people who have been calling this region their home for generations.

Forgotten Villages

In the rush to make Bastar “developed”, it’s all too often forgotten that the region’s tribal villages and farmlands have existed alongside the rich iron-ore deposits for decades. Typically, now that industrialisation has become the mantra, some of the villages may be bulldozed to make way for “progress”. Dhurli and Bhansi, two tribal villages located in Dantewada district, speak of one such distressing story. In these villages, life follows the patterns of the seasons. Farmers cultivate their fields and families gather forest produce from surrounding areas. Villagers own livestock and attend local markets. All of these economic and social activities are grounded in the earth, in the land that they have been cultivating “since the time of our forefathers and forefathers and forefathers”, as the elders in Bhansi like to recollect.

Essar, after signing a MoU with the government in July 2005, has been attempting to acquire these very lands from the villages to set up a 3.2 million tonne steel plant. The company hopes to obtain 1,254 hectares of land from the two villages; 280 hectares belong to farmers in Bhansi, 109.5 hectares to Dhurli villagers and 865 hectares to the government.

According to Kranti, the project will directly affect 149 out of the 280 families in both the villages. But it would be a mistake to quantify the project’s impact on the basis of mere numbers. As Chandra Bhushan, associate director at the Centre for Science and Environment explains, the project will affect many more people than those who lose their land. “One element is the physical removal of people, and this is a very important element. But the second thing that is much more important is access to resources. Far more people are dependent on the resources that the plant will eventually hold,” he says.

For instance, consider the amount of water that the steel plant will need on a day-to-day basis. “Water consumption is very high in the steel industry. A one million tonne steel plant will use something like 25,000 metres cubed

of water per day,” says Bhushan. As a 3.2 million tonne steel plant, the proposed Essar project will require at least 80,000 meters cubed of water per day. This will not only jeopardise the water supply to villages in the plant’s immediate area, but it will also affect those living downstream from the plant.

The average amount of water consumed per person in rural India is 100 litres per day. Going by that rate, the Essar plant’s usage will equal the water needs of 80,000 people. This reallocation of resources will place a severe strain on resources and adversely affect the livelihoods of people and the sustainability of the area, says Bhushan.

The pollution that the steel plant will cause is another cause for concern. “The steel industry is very energy intensive, with huge amounts of waste and fugitive emission [pollutants released by leaks in equipment],” says Bhushan. “It’s the fugitive dust that is very important in a steel plant. Even if they are able to control the stack emission, they are usually not able to do much about fugitive dust. The pollutants will cover the soil and reduce the yield of crops.” It will also adversely affect the plants, forests and wildlife of the region, and by extension, have an impact on the villagers, who depend on natural resources for their livelihood.

The Displacement Package

For those living in Dhurli and Bhansi, water and pollution probably appear to be secondary concerns. Despite Essar offering them what is being called an “attractive compensation package”, the villagers have refused to move out of the land that they have been farming for decades. They are also questioning the procedures that the government and the corporates have followed for acquiring the land.

Essar’s rehabilitation package itself has been drawn up according to state guidelines and has already been approved by the Dantewada district collector. The package is currently being considered at the state level. Once the

government approval comes through, the acquisition of land will begin. Among other things, the package includes payment for the land based on its relative quality (in accordance with prices determined by the government), as well as money for structures such as houses, wells and trees that stand on the acquired property.

Kranti asserts that Essar is committed to providing employment, education and training to the families who will be displaced. However, he admits that displacement, rehabilitation and compensation are areas where problems could develop. “We know there is a history of checkered promises. We know that talking is one thing, and we also know how rehabilitation has failed in the Sardar Sarovar project and many others,” Kranti says. He is also candid enough to acknowledge why Essar hopes for an amicable settlement. “We are a business, and as such we cannot afford to lose money, because we are very selfish. We are in the business of making money and delays will cost us a lot,” he says.

The acquisition of tribal land for corporate use does involve several steps that could come with the “costly delays” that Kranti mentions. Under the Land Acquisition Act of 1894, which is still in force, the government has the right to acquire any private land as long as it’s in the public interest to do so. In this case, this means the Chhattisgarh government will have to first acquire the land and then lease it to the corporation.

Another law related to the acquisition process is the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, or PESA. PESA was passed in 1996 to protect the interests of tribal communities. The act mandates that the local panchayat be involved in the land acquisition process, but the extent to which the panchayat’s word is eventually upheld remains a matter of debate.

Section 4 of PESA has several clauses about land acquisition, such as

clause (i), which provides for a participatory role for the gram sabha. It reads, “...the Gram Sabha or the Panchayat at the appropriate level shall be consulted before making the acquisition of land in the Scheduled Area for development projects and before resettling or rehabilitating persons affected by such project in the Scheduled Areas.” Clause (m)(iii) provides further ammunition to prevent loss of tribal land: “...a State Legislature shall ensure that the Panchayats at the appropriate level and the Gram Sabha are endowed specially with the power to prevent alienation of land in the Scheduled Areas and to take appropriate action to restore any unlawfully alienated land of a Scheduled Tribe.” Clause (d) articulates the right of the gram sabha to protect community resources: “...every Gram Sabha shall be competent to safeguard and preserve the traditions and customs of the people, their cultural identity, community resources and the customary mode of dispute resolution.”

Arm-twisting Tactics

Given that several precautionary measures exist, it’s clear that at least a hearing of the gram sabha, of the area from where the land is being acquired, has to be held as part of a land acquisition process. In the Essar case, a gram sabha was held on August 3, 2006, but villagers say that threats and fear surrounded the meeting, rendering it a farcical exercise.

Villagers describe a “reign of terror” in the days leading up to the gram sabha; the police moved into the tiny village en masse, and there are suggestions that the number of policemen could have been anything from 2,000 to 6,000. Dhurli was cordoned off to prevent all communication, protestors were handcuffed, and door-to-door canvassing was conducted by the government authorities and the police, and the residents told to “behave themselves”. Locals report that over 50 “outsiders” were present during the gram sabha, and many residents were forced to leave the meeting early when they were consistently pressed to sign documents giving up their land.

Scholar and activist Dr Ilina Sen, also the director of Raipur-based NGO Rupantar, identifies some of the “outsiders” who attended the meeting. Among them were the district magistrate, the police superintendent, and Mahendra Karma, the leader of Salwa Judum, a government-initiated movement against Naxal violence that has come in for criticism from several quarters.

After the gram sabha, in a series of midnight arrests, four Dhurli villagers who refused to sign over their land were arrested under Indian Penal Code 151-107 (knowingly joining or continuing in an assembly of five or more persons after it has been commanded to disperse). These four men, Hingaram Kunjam, Vijja Patel, Gundaram and Budhram (the last two are known only by their first names) were held in jail for seven days. Patel says he was beaten in police custody, and all the four men state that the police made repeated efforts to “convince” them to support the Essar project.

What is Essar’s response to these reports of coercion? Kranti insists that it’s not the company’s job to negotiate with the gram sabha as it enters the picture only after the land has been acquired by the government. Essar, he says, cannot be held responsible for the government’s action. It may not be possible to fault his answer on technical grounds, but his words are evidence of the lack of corporate responsibility, and indeed sensitivity, to the concerns and rights of the local population.

Uncertain Future

Over six months after the gram sabha, a feeling of fear, uncertainty and distrust prevails in both villages. Just as before, the people continue to oppose the proposed acquisition of their land. But, as one of the arrested protestors, Kunjam, clarifies, it’s not development in general that the villagers are opposing. “The government can open new industries and we don’t have any objections to that. But taking land from innocent people and giving it to a company — that cannot happen. We can’t give up our land. If they build on

government land, we will help, but not on our private land,” he says.

Most villagers are illiterate and believe that if they lose their land, they will not be able to find new jobs or begin successful entrepreneurial ventures. Kunjam narrates the story of his encounter with the Dantewada authorities, who were trying to persuade him to give up his land rights. “I asked them, ‘Can you guarantee the future of our children for 100 years? If you are taking our land, how will we secure our children’s future? We are farmers. We do farming. If you give us other jobs, we can be fired. There is no security. We cannot give up our land’.”

District collector Pisda, who is a staunch supporter of the Essar project, counters that people eventually stand to gain from industrial development. He says, “A few people will benefit through direct employment and others from indirect employment. Other businesses will also open up.” But the elders of Bhansi and Dhurli, who cannot begin a life of hard physical labour in a steel plant, find the prospect of an “indirect employment sector” difficult to fathom. Small wonder then that a majority of villagers refuse to contemplate giving up their fields. Patel affirms that they intend to fight the land acquisition at all costs: “We will give up our blood, give up our lives, but we will not give up our land.”

When Anything is Fair

Unfortunately for Patel and others like him, the government is equally adamant about supporting industrialisation, under the guise that it will bring development to the area. For instance, Pisda quotes from the Chhattisgarh Industrial Policy that puts development in economically disadvantaged areas as a priority. According to section 1.4 of the industrial policy, the “most backward scheduled tribe dominant areas” include south Bastar (Dantewara), Bastar, north Bastar (Kanker), Koria, Surguja and Jashpur districts and companies are offered incentives to move to these places.

However, the notion that development will follow industrialisation could be a tad simplistic. Dr JP Rao, an associate professor in Osmania University, Hyderabad, who has written extensively on development and people's rights, explains, "When industries move in, the local people are often not able to assimilate the new systems, resulting in increasing marginalisation." Big projects in these areas have the potential to exacerbate the very problems that the government claims it's trying to solve through industrialisation.

Perhaps what is most ironic is that the people whom everyone is trying to "help" are not being consulted on the plans ostensibly being made for their "benefit". Pisda, when asked what options the people of Dhurli and Bhansi have if they do not want to give up their land, says that the state industrial policy, created with the consent of all political parties, does not offer an alternative. Simply put, disagreeing is not an option for the residents whose land will be usurped.

But what about the procedures that are meant to be followed? Allegations that the acquisition of tribal land without the panchayat's approval is a violation of PESA do not seem to faze Pisda. "PESA says that the gram sabha and the panchayat must be consulted, but no consent is required," he says. "There is a Chhattisgarh High Court decision supporting this." This court judgement, given in September 2006, also pertains to a case involving Essar, Tata, NMDC and another village in the Bastar region whose residents were fighting displacement.

The petitioners were trying to stop the establishment of a Tata Steel plant in Bastar, and their arguments centred on issues similar to the ones raked up by the Essar project in Dhurli and Bhansi. The petitioners contended that the panchayat was intimidated into passing a resolution favouring the project, and that consent should have been obtained from the gram sabhas concerned before moving forward. They also requested for more thorough environmental

and social impact assessments to be carried out and argued that people who were unwilling to leave their land should not be forcefully evicted.

However, the Chhattisgarh High Court stated that the case was a matter of state fiscal and industrial policy, in which courts should not interfere. With regard to PESA, the court ruled: “What clause (i) requires is consultation of the concerned Gram Sabha or Panchayat and not obtaining consent of such Gram Sabha or Panchayat for acquisition of land.” This ruling is significant as it outlines the extent of the panchayat’s powers and the government seems to have interpreted it to mean that the questionable acquisition tactic it uses is an acceptable model for future cases.

Conflicting Claims

A clear-cut risk inherent in such arm-twisting is the likelihood of heightening marginalisation and conflict. Unhappy that their land has been taken away from them, it’s entirely possible that the villagers will take to arms. Pisde has a ready answer for this as well. He says, “Political conflict is a natural process, it happens whenever industrialisation begins, in any place. Conflict must not have any impact on industrial progress.” His reply, which acknowledges that conflicts can arise out of industrialisation, contradicts his earlier assertions that development is the panacea to Bastar’s problems.

Such double-speak is indicative of the complete absence of government policies to mitigate the impacts of industrialisation. Warlyani, who believes Bastar stands to gain by harnessing its rich mineral wealth, is nevertheless a critic of the current Bharatiya Janata Party government’s approach to displacement and rehabilitation. He feels it will only lead to further impoverishment of the displaced people. Once the compensation money from the company runs out, he warns, tribal farmers and their families will be forced into bonded labour. “People who are engaged in cultivation are not able to do any other work,” Warlyani says. He believes that the existing policies,

including the recently revised state-level rehabilitation scheme, are insufficient as they are pro-industry and not pro-people.

Warlyani does believe that displacement has to take place for the region to develop. But his suggestion is that displaced people should be made shareholders in the very project that forces them to relocate. Ten percent of the profits of a project involving displacement should be allocated to the villagers as part of a standard rehabilitation package, he says. “Instead of giving villagers full compensation, their financial claims should be invested in the industry, in the shape of shares for the [displaced] farmers, so that they can always get dividends from their shares. They should be given a certain amount every month for their livelihood, and to meet expenses related to their children, education and health,” Warlyani suggests.

Though the plan may sound feasible, the reality is that there is no legislation providing for rehabilitation of this nature. It’s also hard to imagine that the government, which has formulated policies to explicitly reduce the costs of corporate houses, will do an about-turn at this juncture to accommodate suggestions such as those made by Warlyani.

Essar certainly will not volunteer to give up 10 percent of its annual profits, though business is clearly booming for this corporate. In 2006, it reported record profits — a growth of 47 percent in the total net income for the quarter that ended December 31, 2006. Its ventures in Chhattisgarh will only help it climb up the charts.

However, there is no reason why the corporate’s growth will be reflected back in the turf that it’s fighting over in Chhattisgarh. It may not even bring in the promised economic growth, despite Essar’s claims to the contrary. For one, there may not be that many well-paying jobs at the new steel plant, as Essar’s profits come from keeping its production costs down. Essar’s website boasts to prospective buyers, “Essar Steel is among the 25 percentile of lowest

cost producers world-wide... Our lean team gives us one of the highest productivities and lowest manpower costs among steel plants internationally.” As the website suggests, industrial processes are by and large mechanised, and the labourers in Chhattisgarh are only going to be paid low wages. Both factors make the government’s and the company’s claims of economic development for the locals rather dubious.

The Real Beneficiary

The locals may have nothing to gain from the project, but the state government certainly does, one reason why it has doggedly pursued these projects. The Tata steel plant will bring in an estimated Rs 10,000 crores as investment and the Essar project about Rs 7,000 crores. On its own, each project carries with it more money than all the industrial investment made in the state since 2000.

Besides, just as corporations increase profits by selling steel instead of unprocessed iron ore, the government collects significantly more taxes on sponge iron or steel exports than it does on raw materials. Though Essar will benefit from the handsome government subsidies, it will still be paying the Chhattisgarh government Rs 1,600 crores in taxes annually, from the new steel plant’s profits.

The state government also stands to gain monetarily from the process of land acquisition. There is no charge for acquiring the land per se, but there is a stamp and registration fee that amounts to 10 percent of the total value of the land given to the company. In the case of the Essar project, the government will also have possession of the land, and it will be leasing it to the corporation for 30 years, with options for renewal. Pisda declines to comment on the rates at which the state will be leasing the land to Essar, but it seems that the government will benefit substantially from both the acquisition and the subsequent tax revenues.

Faces of Steel

If the money that the government gains from the project is plowed back into the region, perhaps that would still hold out some hope. However, there are currently no concrete plans for projects focusing on education, healthcare, or any other issue that the locals would like addressed.

Dr Sen calls the government's approach to development "completely macroeconomic, centered around production and dollars. They don't see the faces of people, they just see so many tonnes of steel". She adds, "The conflict we see today in south and north Chhattisgarh is rooted in underdevelopment. It's not so much to do with the guns of the Maoists, or the guns of the state. I think that 60 years of independence haven't given them the basic things they need." Critics point out that the myopic focus on rapid industrialisation will lead to greater marginalisation and impoverishment of the people in the region. Naxalites may eventually find more willing recruits in the aftermath of development, instead of fewer.

Surely, there's a middle way, a path that will respect the culture, traditions and aspirations of the local people while also promising them secure livelihoods. The current government policies, however, do not appreciate the complicated ground realities, and more importantly, do not address how displacement and progress can go hand in hand. Until that is done, the people of Chhattisgarh are unlikely to place their trust in policies that promise their betterment while simultaneously ignoring their rights.

TIMELINE

1896	Enactment of the Land Acquisition Act
1968	The National Mineral Development Corporation (NMDC) begins mining iron ore at Bailadila, southern Chhattisgarh
1996	Provisions of the Panchayats (Extension to the Scheduled Areas) Act, or PESA, passed
2000	Chhattisgarh becomes a state
2002	Promotion of Industrial Development Act enacted
2004	Chhattisgarh Industrial Policy implemented, effective 2004-2009
July 2005	Essar Steel signs a MoU with the government to establish a 3.2 million tonne steel plant
October 2005	Essar applies for own mining lease in Bailadila, which is subsequently granted
March 2006	Tata applies for a mining lease in Bailadila
August 2006	Gram sabha held to discuss the case of Essar's proposed land acquisition September 2006 Chhattisgarh High Court decision lays the groundwork for limited interpretations of PESA

Never Say DAE

BY XAVIER DIAS

The Department of Atomic Energy has spun a web of lies and deceit around Jadugora's uranium mines. Though it maintains the veneer of a scientific institution that follows the highest safety standards, the department's Uranium Corporation of India callously dumps the radioactive waste from its mines around Jadugora, resulting in innumerable health problems among the residents.

It has now fallen upon the Adivasis to question the department's flawed scientific pursuits

“Certified lunatics are shut up because of their proneness to violence when their pretensions are questioned. The uncertified variety is given the control of powerful armies, and can inflict death and disaster upon all sane men within their reach.”

— Bertrand Russell (1872-1970)

The central government recently gave a French company permission to do an aerial mapping of the mineral potentials of the eastern region. During one of their sorties over the city of Jamshedpur, the sensitive computers in their aircraft started beeping repeatedly, indicating that they had possibly struck gold. Believing that they had sited nothing less than the equivalent of the legendary Solomon mines, they hurried back to terra firma to celebrate with champagne. After a sleepless night, they followed the previous day's lead to the site. Their 'goldmine' turned out to be Uranium Corporation of India Limited's (UCIL)¹ radioactive dump sites in Jadugora.²

Once famous as the only source of India's uranium, the Jadugora mine has today become a pit full of distorted facts and myths created by the Department of Atomic Energy (DAE). Considered a pristine institution of India, it has fanned a pride and nationalism that overshadow the rich cultural heritage of this sub-continent. It achieved this by exploding 'peaceful' atomic bombs in 1974 and later in 1998, acts that elevated the country to a nuclear power, which the department itself referred to as 'scientific feats'.

There have been several critiques of the department's functioning, and while it's easy to dismiss a layperson's comments, the evaluation made by a number of eminent scholars, in their published works, needs to be considered. One of the most outstanding studies on the department is a piece by Dr Dhirendra Sharma,³ 'India's Nuclear Estate'. As he writes, it appears as if the "Backroom Boys" spirit of the scientists forced them to forget the great principles of the "Pugwash"⁴, founded by the father of the atomic bomb, Albert Einstein. The power and prestige that technocrats enjoyed after making the nuclear bomb made them forget the dangers that come with a nuclear arsenal, he explains. Dr Sharma also points out that Einstein himself repented the fact that he had given birth to nuclear fission. But the Indian scientists at the Tata Institute of Fundamental Research (TIFR), the country's most prestigious science research establishment funded by the DAE, do not seem

to have similar pangs. Nor have they ever raised any ethical doubts about the subject.

Dr Sharma's piece pertinently notes that while Einstein and Robert Oppenheimer, who headed the widely debated 'Manhattan Project' to develop nuclear weapons in the US, experienced disquiet over their role in the evil application of science, in the Indian context, the masters of science themselves desperately sought political alliances and used their connections with powerful industrial houses to encourage the political rulers to indulge in nuclear-political power games. It's worth mentioning here that the resistance to the nuclear explosions came not from India's scientific community but from the country's liberals and intellectuals. Our nuclear scientists, Dr Sharma writes, appear to have betrayed the national goal of building a just and equitable social structure by diverting the country's valuable resources to non-productive nuclear engineering.

The introduction to the same piece mentions the following point: "A study conducted for the Press Council of India (July 1981) has reported that the country's legal provisions (and official practices and attitudes) "fetter the free flow of information". The study observed: 'The two wings of the Government, namely, the legislature and the judiciary, function in the open... on the other hand, the executive does its business in its secret chambers to which the people have hardly any access. In the name of "public interest" and "national security" any information can be denied to the people, to the press and even to the Parliament'."

In a similar publication by Ashok Kapur⁵, 'India's Nuclear Option: Atomic Diplomacy and Decision-making', Kapur uses the phrase "scientific and political Czarism", which Dr Sharma contests in his study as he feels it would imply an oligarchic interest. But, if one were to look at the phenomenon of executive Czarism, as stated in the Press Council study, it's probably a fitting description of the DAE.

The Jadugora Experience

Jadugora lies 24 km from the Tatanagar (Jamshedpur) railway station on the Howrah-Mumbai rail line. The uranium ore from the mines, at Jadugora Batin and Narwarpahar, is brought to the processing mill at Jadugora, where the uranium is extracted and the residue converted into mill-tailings (radioactive waste). These tailings are made into slurry and are transported by pipes laid over villages, a public road and work areas, and discharged into what are incorrectly called ‘tailing ponds’; looking at the scale of the material dumped there, these should actually be called tailing dams.

The average grade of uranium ore found here is 0.06 percent, considered ‘remarkably low’. The mill processes 1,000 tonnes of this ore per day to produce 600 kilogrammes of yellow cake (or 200 tonnes per year). Three hundred thousand tonnes of mill-tailings are produced per year. The mine-tailings are 10 times the amount of the mill-tailings — about 3,000,000 tonnes per year.

The dumping has directly affected 15 village clusters, Jadugora town, Narwapahar town, and the areas around the Rakha railway station. Altogether, the areas have a population of over 30,000. U-238 (a particular grade of uranium) is produced here and its half-life (the time taken for half the mass to decay to benign lead; the other half of the mass would again need a similar time to decay and this cycle continues) is 4.5 billion years. U-238 changes through 14 different kinds of radioactive nuclides called daughters or progenies before becoming lead (Pb-206)⁶.

By callously dumping killer radioactive waste from its mines, and fusion waste from its nuclear reactors (a serious violation on the department’s part), and allowing it to spread right up to the doorsteps and into the homes and bodies of its workers and their families, the DAE stands responsible for the health problems seen among people living in and around Jadugora. Many of

these illnesses lead to early deaths. The department responds to this complaint with hysterical denials. A public institution at its best should perform the role of a conscientious monitor, in the interest of public health and safety, particularly if it's an establishment designated by the country as a 'premier' one. And it's certainly not the duty of us common folk to hold up a mirror to the department. The irony is that institutions such as the DAE, projected as highly scientific and said to maintain the highest safety standards, are being exposed as dubious by the very people wrongly and derisively described as 'primitive', 'ignorant' and 'superstitious'.

After receiving complaints of severe birth deformities, unexplained miscarriages and abortions, the Bindra Institute for Research Study and Action (BIRSA)⁷, a non-government organisation governed by Adivasis⁸ with its headquarters in Jharkhand, did a primary health survey (1996-98) of the reproductive health of women in the 14 villages around the mine. The survey and its processes were so designed as to create an informed community leadership as well as generate public awareness about the problem. In the process of conducting the survey, the locals did become more knowledgeable about the issue. Birth deformities that were earlier thought to have been the work of *dani bonga* (evil spirits) and therefore kept hidden no longer remained something to be ashamed about. From *dani bonga*, the causes shifted to the mine, its radioactive dumping sites and UCIL itself. A local organisation called the Displaced and Unemployed Adivasi Association, which had been demanding better compensation and jobs for families whose land was taken over by UCIL, changed its agenda; they reorganised themselves in 1998 as the Jharkhandi's Organisation against Radiation (JOAR) to fight and expose UCIL and its criminal practices.

The conduct of the health survey was documented and this video footage became the award-winning documentary *Buddha Weeps in Jadugora*⁹, which played a pivotal role in making the world aware of the plight of the radiation

victims at Jadugora. In a short span of time, Jadugora thus made a significant contribution to the anti-nuclear debate. The nascent anti-nuclear movement in India was divided vertically between the twin issues of nuclear weapons and nuclear energy. The documentary settled this issue at least within the domain of public debate, as it clearly showed how people near uranium mining sites were being exposed to the killer-effects of radiation even before the radioactive metallic element could be used for producing electricity or bombs.

Taking on the mighty power of the DAE was no small achievement. JOAR conceived of many innovative ways to create a mass movement among the locals. To strengthen its base, it took up numerous local issues and garnered the support of national and international organisations. To mention a few, it invited Greenpeace International to measure the spread of radiation, and *Anumukti*, the country's only magazine dedicated to peace issues, to conduct another health survey in 2002. The movement fought back despite numerous efforts by the state and the DAE to suppress it. Unfortunately, JOAR as a movement is dysfunctional today.¹⁰ But before it wound up, it made yet another significant contribution. JOAR invited Dr Hiroaki Koide of the Kyoto University of Japan to study the radiation problems in Jadugora. His report, titled 'Radioactive contamination around Jadugora uranium mine in India', for the first time emphatically exposed the false claims made by the DAE regarding the radiation pollution in Jadugora.¹¹

Exposing Lies

"In a time of universal deceit, telling the truth is a revolutionary act."

— George Orwell

Some of the conclusions made by Koide's study are presented below in a bulleted format. My own observations are given in brackets.

- Background radiation is higher than what's seen around the world. There

are areas in Jadugora where the external gamma dose due to natural radiation exceeds the general acceptable limit.

- The air-gamma dose at the tailing dams exceeds 10mSv/y (1.1_Sv/h). (This figure is very high and dangerous. The tailing dams are ‘protected’ by a barbed wire fence that has long broken down. Besides, the dams are built on land that served as the only thoroughfare for a number of villagers to the town, and the area continues to be used by women and children.)
- The amount of Caesium-137 in tailing dam number 1 is 10 times higher than in other areas of Jadugora. (Caesium-137 is a radioactive isotope that’s formed mainly by nuclear fission and its presence at a uranium mine waste dump site raises several disturbing points. For one, it means that radioactive waste from nuclear reactors or military research centres is being dumped here. This conclusion calls for serious action against DAE as it amounts to a criminal act.)
- Some soil samples (taken from a village, a road, and riversides) have extraordinarily high uranium concentration. The uranium concentration in the tailing pond is also remarkably high. In almost all the samples, the concentration of uranium, radium and daughter nuclides is the same and does not move greatly from the state of “radioactive equilibrium”.¹²
- There are big differences in the uranium concentration in villages even outside the 5-kilometre radius of Jadugora. This fact shows that the tailing is carried into a village that was not originally contaminated as construction materials of houses or roads. (The Greenpeace survey showed that the middle school at Jadugora junction was contaminated as it too was built with tailings. Similarly, the 15-kilometre stretch of road from Sunder Nagar to Jadugora was also constructed with the tailings. Mining companies are able to cut costs by using mine ‘waste’ as building material for civil construction purposes. UCIL too has followed this practice, indicating that they are either ignorant

of the fact that tailings from uranium mines are radioactive, or plain callous.)

- The water that flowed out of a UCIL tailing pond is polluted with uranium, so a river is also contaminated. (The river in this case is the Survarnarekha [literally, Streak of Gold], on whose downstream lies the city of Jamshedpur. Already polluted with the effluents of over 400 different kinds of industries, it winds its way into West Bengal carrying these contaminants through a vast area.)

The Department of Denials

The DAE can and will rubbish the results of Dr Koide's study and the methodology he followed. In the past, this has been the department's tactic to deal with critical studies. They have gone to the extent of denying the documented cases of birth deformities in *Buddha Weeps in Jadugora*, by calling them 'polio' cases. Even a medical student would know that polio is not a birth deformity. But the DAE is able to deny everything with such impunity as it has the backing of a powerful state, and now the omnipotent USA.¹³ But then where is science? Where are ethics and morals?

A Sanskrit maxim says that "knowledge breeds humility" (*vidya dadati vinayam*). Essayist Francis Bacon, in a similar vein, enumerated the career hazards of scientists as vanity, ambition and an eagerness for certainty. Recent studies on science and society, and investigations of the psychological properties of scientific communities, have raised serious doubts about the widely held habit of placing faith in the objectivity of scientists and their social behaviour. Scientists, in their approach to public policy, are not regulated by the principle of cognitive validity. Therefore, the faith in their objectivity has, to a great extent, caused humanity many socio-scientific disasters.¹⁴

Dr Sharma's paper, in fact, exposes the fact that the DAE was driven by "personality cults". Homi Jehangir Bhabha, popularly called the "father of India's nuclear programme", himself is thought to have been an example of

the way personalities decided the way projects were cleared or shaped up at the Tata Institute of Fundamental Research that he helped establish. He is said to have bitterly opposed anything that had to do with the physicist Meghnad Saha and his Saha Institute of Nuclear Physics in Kolkata. For years he refused to allow any work on Variable Energy Cyclotron or VEC because Saha had initiated it. The man who was loved for his generous grants to individual scientists opposed the VEC saying it was a waste of money. According to nuclear scientist Raja Ramanna, over 30 nuclear scientists together had to appeal to Bhabha to get the project sanctioned.¹⁵

The importance of knowledge, science and reason seems to be overlooked in a place that should be the fountainhead for all three. But if you look deeper behind this deceit, you will see yet another contradiction. On one side are the DAE scientists making nonsensical claims; and on the other side are the Adivasis, forcibly evicted to make way for uranium mines and their support institutions, and who are now the victims of radiological pollution. Though called ‘primitive’ and ‘ignorant’, they are the ones who are talking reason, supposedly a forte of the scientific community. The Adivasis are informing the DAE about the impact of low, internal, continuous radiation on the health of the people, and biodiversity. Even then, the DAE continues to claim that there’s no radiation from the UCIL mines in Jadugora or that it’s within “permissible limits”. If taken at face value, these claims would make Jadugora the safest mine in the world, a scientific accomplishment much greater than the detonation of a bomb and one that should be lauded.

It has fallen upon the Adivasis to organise themselves and form a resistance movement in Jadugora to expose the ‘nonsense’ or ‘science’ of the DAE. The movement has brought up important points about nuclear energy, which is relevant to medical, social and political fields. But it has also had to take a long, risky and tedious path to reach the position it currently enjoys. Many contributors helped pave this route, including activists, doctors, scientists,

organisations, film-makers and journalists. But the biggest contributor has been the people of Jadugora, a majority of them Adivasis and Dalits (and many among them women and children). Despite a death sentence hanging over their heads even before they were born, they are fighting a battle for future generations. Their resilience and tenacity are astonishing. And while people cheer about nuclear technology in parts of this country, it's the courage and nobility of the Adivasis that truly deserve our respect and regard.

Meanwhile, an undeterred DAE is going ahead with the construction of three more uranium mines — Turamdih, Mohuldih and Bagijanta, and a new processing unit at Badhuranga (its actual purpose has not yet been revealed to the public), all coming up within a 5-kilometre radius of the steel city of Jamshedpur.¹⁶ These projects will consolidate and increase the spread and intensity of the disaster we know as Jadugora. Jamshedpur is destined to be declared as a 'sacrificed area'¹⁷ in the near future. The impact could be so huge that no one will be able to clean up after DAE. And that's why it's all the more important that the department's crimes are investigated immediately. ■

FOOTNOTES

1. The Uranium Corporation of India Limited is a subsidiary of the Bhabha Atomic Research Centre, under the Department of Atomic Energy (DAE). Atomic minerals are a state monopoly
2. India's first productive uranium mine situated in the Adivasi homeland of Jharkhand. The nearest international airport is Kolkata (previously known as Calcutta)
3. Sharma Dhirendra, 'India's Nuclear Estate', *Philosophy and Social Action*, Vol 31(4), 2005
4. A series of international meetings of eminent scientists held to discuss problems of nuclear weapons and world security. The first meeting was held in 1957 at Pugwash, Nova Scotia. The Pugwash organisation was established to convene conferences to discuss arms control and disarmament; these were held in the Soviet Union, Britain, India, and the US, among other countries. The organisation and its president and founding member, Joseph Rotblat (born 1908), received the 1995 Nobel Prize for Peace
5. Kapur, Ashok. 'India's Nuclear Option: Atomic Diplomacy and Decision Making', New York, Praeger Publishing, 1976
6. For a detailed understanding of the radioactive behaviour of these different protégés, see

Dias X, ‘Radiological Pollution from Uranium Mines — Conference on Health and Environment’, New Delhi, July 6-9, 1998, Centre for Science and Environment

7. More information on the Bindra Institute for Research Study and Action is available at www.birsa.in

8. Adivasi, meaning First People, is how the indigenous peoples of peninsular India prefer to be known by. According to government statistics, they constitute 8.5 percent of the country's 1.2 billion population; the actual figures could be double this number

9. Produced jointly by BIRSA and KRITIKA, a media NGO, and directed by Sripakash

10. I am in the process of writing about the history of JOAR

11. Dr Koide’s research study is one of the few such studies done in uranium sites, and can be called a landmark in the history of anti-uranium mining. The study is available at <http://www.rri.kyoto-u.ac.jp/NSRG/>

12. Where all these nuclides remain in the same place, the radioactive intensities of uranium and its daughters remain the same. Such a state is called “radioactive equilibrium”

13. The USA and India are to work together on ‘civilian’ nuclear programmes, which include constructing nuclear plants and supplying them with fuel

14. Dhirendra Sharma, ‘Cognitive Validity and Science Policy’, in Science and Social Imperatives, New Delhi, *Philosophy and Social Action*, Special No II (1-2), 1976, pages 97-121

15. Ramanna in the *Proceedings of the Symposium on Nuclear Science and Engineering*, (BARC 1973), page 35, as quoted in Dr Dhirendra Sharma’s ‘India’s Nuclear Estate’

16. Dias X: *Economic and Political Weekly*, ‘DAE gambit’, August 6-12, 2005

17. This reference comes from the US government research project (1942-45) that produced the first atomic bombs. When the Manhattan project was planned, it was also taken into account that the region in New Mexico, USA, where the first bomb was tested, could become unfit for human habitation. Therefore, in anticipation, it was declared a ‘sacrificed area’, a description that has since been used for the trade-offs or barters that the industry willingly indulges in

Nero's Children

BY AMIT RAJA (TRANSLATION BY RAHUL RAJESH)

Threatened by land subsidence and underground fires, Jharia is now in danger of becoming a ghost town. The nationalised coal mining company, Bharat Coking Coal Limited, is encouraging residents to leave the town instead of correcting its faulty coal mining practices. Yet, despite being surrounded by poisonous fumes, and suffering from attendant health problems, the residents don't want to leave the only home they've ever known

A folk song could tell you why Jharia, in north-east Jharkhand's Dhanbad district, was the centre of the universe for thousands of people. A microcosm of India, where people from all communities, castes and creeds lived in harmony, Jharia was once known in these parts as a town where one could make money. The state's folklore faithfully depicts those beliefs, often from the point of women awaiting their husband's return. "*Thel delaa tharia balam, gaiila Jharia, pahunchala ki na, uthe jiya me laharia, pahunchala ki*

na..." (Pushing away his plate of food, my husband went to Jharia, did he reach safely or not, my anxious heart wants to know...). Such melodrama is indeed warranted as far as Jharia is concerned. For, in keeping with its rather theatrical reputation, the town has also been the locale for popular Hindi films such as *Kala Pathar* and several regional language movies.

Today, when Jharia is in danger of becoming a ghost town, it seems as if these movies and songs will be the only reminders of its existence. Threatened by underground fires and land subsidence due to poor coal mining practices, Jharia could soon be wiped out from the very face of this earth. The nationalised coal mining company Bharat Coking Coal Limited (BCCL), a subsidiary of Coal India Limited that mines coal in this area, has done little to prevent this possibility from becoming a reality. Instead, it has wholeheartedly encouraged locals to leave their homes, as Jharia is now a "dangerous" place to be in. Yet, people who have lived here for centuries don't find it easy to leave — despite the fires that smoulder in the ground beneath their feet, and the poisonous fumes that they are forced to breathe. Jharia is, after all, home.

Looking Back

In the name of the river that runs across these parts, there is a hint of the 'fire' that's today derailing the hopes and dreams of the locals. Damodar, as the river that flows past the state's coal reserve is called, literally means 'Fire in the Belly', an apt moniker considering the abundance of coal that lies beneath it. If the river's name once didn't betray the darkness that would come with the future, perhaps it was because of the forests that enveloped this land. When the great saint of Bengal Chaitanya Mahaprabhu anointed the place Jharkhand, literally meaning the 'Land of Bushes, Shrubs and Trees', it was because he was greatly impressed with its natural beauty. The state's name speaks of its tranquil past, when no one felt the need to mine coal to use as fuel — the forests that sheathed the land were the source of fuel, and of life itself.

It was the British who discovered coal in these parts, changing the landscape of this region forever. Indeed the present crisis in Jharia can be traced to man's hunger for excavating coal. The first to realise the economic importance of coal were two officers of the East India Company, Haitely and Summer, posted in Ramgarh of Jharkhand and Nadia of West Bengal. Haitely came to know of coal reserves in Ramgarh while Summer was told of the availability of coal in the banks of the river Ajay. Both the officers got together and formed the Summer-Haitely Company for mining coal on a commercial basis. They applied to the East India Company for a licence to mine coal, which the Company granted in 1774. The Summer-Haitely Company started commercial production of coal on August 15, 1774, in Raniganj, West Bengal.

Initially, mining was carried out with tools such as shovels and spades. The mined coal was transported to the river Damodar, near Chinakuri, and from there shipped to Calcutta (now Kolkata). From this whole operation, the miners earned a mere five paisa as daily wages. Very soon, however, it was found that the quality of the coal from Raniganj was poor, no better than that from Britain. A paper industry proprietor, William James, unimpressed with Raniganj's coal, visited Jharia in 1814 and found that the coal there was of much better quality. But mining did not start there for another 80 years. It had to wait till a railway link — a necessity for transporting coal — was established from Dhanbad to Jharia and from Jamshedpur to Adra via Dhanbad in 1894. At that time, the region's ruler was Raja Shiv Prasad Singh, who governed Jharia, Dhanbad, Baliapur and Sindri. All these were areas covered with dense forests. The king leased 200 acres of these forests to a Gujarati coal merchant for Rs 200, paid as *salaami* (advance). He cut down the trees in the area leased to him and started mining coal. Soon enough, he became a millionaire.

With coal came a strong labour movement that Jharia is even today identified with. It was known as *Majdooron ki Nagri*, or the Workers' Town. In 1910, the second annual meeting of the All India Trade Union Congress

(AITUC) was held at Jharia, which was attended by leaders such as Lala Lajpat Rai and SN Joshi. Former MP and Marxist thinker AK Roy recalls that Netaji Subhash Chandra Bose wanted to launch the workers' movement from Jharia. Netaji used to stay with a relative, who was an officer in Jamadoba Colliery, and formed a new union called the Tata Employees Association for Tata Colliery employees. To prevent further splits in the AITUC, Jawaharlal Nehru was given the responsibility of chairing the sixth annual meeting of the Congress, which was organised in Jharia in 1928.

The Communists came into the picture only after this, and started organising labour movements. The progressive labour movement remained alive even after India's independence. It was only because of the pressure put by this movement that the then President Dr Rajendra Prasad constituted an enquiry committee, with himself at the helm, to look into the working conditions at collieries. The committee found that mine workers were working in the collieries for over 24 to 48 hours at a stretch along with their wives and children.

Jharia in the 21st Century

Today the stage is set for the death of this once-vibrant city, whose lanes echo with the hustle and bustle of markets such as Kapra Mandi, Anaj Mandi and Koyla Mandi. Underground fires and land subsidence, in which the earth's crust sinks due to underground excavations, have now become startlingly common.

People are being evacuated as a safety measure, ostensibly because there is no other way out. The evacuation is often forced, typically in underhand ways. Residents are deprived of basic amenities and are thus left with no choice but to leave. Trains running between Dhanbad and Patherdih were stopped in 2002 as BCCL argued that the railway tracks could sink at any moment. The tracks themselves were removed to ensure that no train would run even in the future.

In 2006, RSP College, the only college in Jharia, was said to be under the threat of land subsidence and underground fire. The college, it was stated, had to be urgently shifted elsewhere. The people of Bhowra, also in Jharia, were targeted next as BCCL said their area was also unsafe.

It's not that there is no resistance to BCCL's moves. The Left parties are protesting, as is the Jharia Coalfield Bachao Samiti, an initiative formed to protest against the forced evacuation in Jharia. However, the locals have not been able to form a united front against the move to erase Jharia from the map, troubled as they are by the immediate, looming threat of dislocation. Some are hoping against hope for a miracle. Others, including the people who have dedicated their lives to saving Jharia, have begun to lose faith. The only ones unaffected by all this seem to be leaders who have become richer thanks to the coal business.

How did Jharia, which was once a land marked by green, turn into an area engulfed by fires? Many of those questions can be answered by BCCL, but the company instead likes to call the underground fire an "incurable disease". It has spent crores of rupees in filling abandoned mines with sand, but there is nothing to suggest that this work has produced worthwhile results or that it was even carried out properly in the first place.

According to documents from BCCL, the Central Mining Research Institute (CMRI) and the Indian School of Mines (ISM), an underground fire in the Jharia Coalfield was first noticed in 1911. During the 1950s, 110 fires were seen. Mining scientists analysed 97 of these fires and concluded that 60 percent had occurred because of spontaneous heating. Basically, this meant that chunks of coal had caught fire on their own, as coal particles tend to burn as soon as these come in contact with air.

Almost no area in Jharia has been spared thus far. Fire was seen in Kenduadih in 1911, in Bhowra in 1916, in Khodaramji Jharia in 1925, in

Kusunda in 1933, in Gopalichak in 1934, in Ikda and Bagdigi in 1935 and in East Katras and South Area in 1940. Two types of fires were noted; one was an underground fire, and the second an opencast fire, ie, a fire in an opencast mine, where the depth is typically less, ranging between 500 and 1,000 metres. The latter causes substantially more environmental pollution, and also leads to the dispersal of poisonous gases.

The manner in which mining is done is also an important factor that determines the mine's safety record. In opencast mines, if pillars are cut through coal to support the roof, as was being done in the Rajpur colliery, the lower pillars also come in contact with air, thereby increasing the possibility of fire. When the lower pillars catch fire, they become weaker and thinner, leading to land subsidence. To reduce this risk, mining experts suggest that the pillars be submerged in water and mining be done in opencast mines with simultaneous spraying and flushing of water. This method was successfully employed in the Ramnagar colliery. If the lower reaches of the Rajpur colliery had been similarly filled with water, the underground fire in Jharia would have been curtailed to a large extent. Dr TN Singh, ex-director of CMRI, says it's possible to contain 30 percent of the fires with a mere bucket of water.

In underground mines, mining is carried out in various layers simultaneously, as the late Dr RS Roy, a mining scientist, explains in an unpublished article. Fires occur in mines because of insufficient influx of air in the underground corridors. In the absence of sufficient air, the temperature of the coal heaps increases, and the coal chunks catch fire. To keep the temperature at a bare minimum, it's necessary to ensure there's sufficient passage of air. If this isn't done, the coal will gradually start emitting smoke and finally catch fire. To contain this fire, however, one has to stop oxygen supply immediately and then fill the area with water.

There are many instances when underground fires have been successfully extinguished by different methods. When one portion of the Amlabad colliery

of Bhowra caught fire in the 1980s, they found it difficult to seal the affected area. They instead flooded the area with water and the fire subsided. Even today, the area remains submerged and Amlabad is safe. This story is a clear indicator of the fact that every underground mine is not a threat to the roads, railway tracks and houses above it. Experts largely share the opinion that only the uppermost layers of coal in a mine under fire can cause damage.

In spite of that, if Jharia breathes fire today, it's because safety measures that could have worked well were not followed. Most collieries such as Bhagatdih, Ena, Kujama, Simlabad and Lodna are in Jharia. A fire of low intensity occurred in 1930 at a colliery towards Bhaga in Jharia town, and the story behind it is an indication of how even a personal rivalry can affect the town's standing, quite literally. Two elders in Jharia, Ramshevak Ram and Arvind Rajwar, recall that a person by the name of Ramdas Thakkar had a cloth mill in that area. Vests and socks were made at the mill and sold across the nation. Beneath the mill was a coal mine owned by a certain Khodaram. He once asked Thakkar if he could also be a partner at the mill but the latter refused. Angered, Khodaram mined coal out of his colliery in such a way as to cause damage to Thakkar's mill. As a result, Thakkar's mill and his house sank in September 1930. Air started rushing into the mines because of this land subsidence and the coal there gradually started catching fire.

The late Dr Roy's unpublished article points out that mining experts at that time had suggested that all the drains and rivulets flowing in and around Jharia be diverted to the area where the fire had occurred, so that it would be extinguished. No one paid any heed to that suggestion, and Jharia today pays the price for such negligence.

Harsh Truths

That mining was not carried out scientifically in the Jharia Coalfield is something that everyone agrees on, be it the institutes that study mining or even the company that extracts coal, the BCCL. However, this is small

consolation for the residents of Jharia, who have to suffer for the errors of BCCL and the people who owned collieries in the pre-nationalisation period.

A question that demands an answer is why the number of fire spots has increased dramatically of late. There were 110 spots when coal companies were being nationalised but today the sword hangs over almost all of Jharia. The BCCL blames the private owners for this sorry situation and claims that it's not responsible for containing and extinguishing the fires in the mines. This is a childish and irrational response. The BCCL could have easily submerged all the affected areas and the waterbeds thus created would have lent support to the land above and prevented it from sinking. But of course, a tender for flooding mines with water would not have attracted rich contractors with giant pockets, obviously the reason why BCCL has not even considered it as an option.

Instead the BCCL has been pushing ahead with its one-point agenda of evacuating Jharia. First, the company claimed that there was an underground fire beneath Jharia and that it could kill people and damage property. But when residents refused to desert Jharia even then, the BCCL came up with another claim: it said that there were huge reserves of coal under Jharia and it was in national interest to evacuate the town and mine out the coal. Now BCCL makes both claims, with the caveat that opencast mines would be required to dig out the coal in Jharia. An implicit threat in this postscript is that opencast mining would result in further pollution.

Mining experts, however, point to the fallacies in BCCL's claim. Apart from the late Dr Roy, Dr Singh and others have pointed out that only 25 million tonnes of coal can be mined out by this method. About 250 million tonnes of coal would still be left behind, as layers of coal run deep in Jharia. Underground mining, therefore, is the best way to mine out the reserves of coal. It would help the company mine out coal for a longer period and it would also mean a higher number of miners being employed instead of

machines, thereby minimising retrenchment. Production costs would go down as well. If BCCL isn't interested in such an obvious alternative, it's because underground mining does not offer an opportunity to big bidders and contractors to make money. It also means that later on, contractors won't have a chance to declare that heavy machines, motors and tools are out of order, and on that pretext, bid for tenders again.

No Smoke without Fire

In 2001, the Dhanbad-Jharia road near Ena-Islampur-Nunia Basti and Bastacola was damaged due to land subsidence, blocking traffic for several days. The Jharia Koylanchal Bachao Samiti decided to investigate the causes of the fire and to take measures to contain this fire. The Samiti informed the BCCL about its decision in February 2002 and took videos of the fire. It was found that old pillars were being cut in opencast mines though the fire had reached the entrances of six galleries, which link the shafts in a mine. Most importantly, it was seen that coal was being mined in an area that was just 13.5 metres from the Dhanbad-Jharia railway line. This was in blatant violation of Article 105 of the Coal Mines Regulation Act, under which mining is disallowed anywhere within 45 metres of railway tracks. If it's a special case, the mining company has to secure permission from the Directorate General of Mines Safety and the railway authorities.

BCCL, however, carried out mining in the prohibited area, ignoring all regulations, without seeking any permission from the competent authorities. Because of its ill-conceived action, heavy smoke came out of the Bastacolla *chaanak*, a covered pool-like structure. In the areas prone to land subsidence, located behind the Shiv Mandir and the Janata Clinic on the Dhanbad-Jharia Road, poisonous smoke escaped from the ground. Carbon monoxide and other noxious gases were being emitted along with the smoke, severely compromising the health of the people.

Soon after its discovery, the Samiti wrote to the chairperson-cum managing

director of BCCL on February 22, 2002, pointing out that the fire had been caused deliberately. The letter also highlighted that only those fires caused by oil or electricity could not be extinguished with water, and therefore, suggested that the BCCL fill the fire-hit areas with water. The company did not respond to the Samiti's suggestions. Five years after that letter was sent, people are still asking BCCL for answers.

Thanks to BCCL's malevolent designs, the Dhanbad-Patherdih Railway line became the first casualty of the company's plans to make Jharia a ghost town. At first, the ministry of coal informed the ministry of railways that the railway line was unsafe as the tracks had been damaged. As a result, the railway ministry stopped running trains on this route. When people protested against this decision, a shuttle train between Dhanbad and Lodna was allowed to run on the track. It was a gesture meant only to placate as the train was withdrawn in just two weeks. At that time, the railway administration announced that after the damaged tracks were repaired, the train service would be resumed. But the tracks themselves were removed as the Coal India Limited chairperson claimed that 13 million tonnes of coal were lying beneath them.

The trains on these lines ran between Dhanbad, Jamshedpur and Adra. Densely populated villages lie on both sides of the railway tracks and people relied on the trains for everything from household shopping to conducting businesses. In their absence, livelihoods were severely affected and people were forced to migrate.

It's worth mentioning here that a case related to this underground fire and land subsidence is still pending in the Supreme Court. It's learnt that the coal ministry told the apex court that Rs 13.12 crores had been allotted for the railway line and that work was in progress to ensure its safety. Those who live in Jharia know that not a penny has been spent on the tracks. And indeed, if such a huge amount of money had been utilised to make the tracks safe, why were the tracks themselves removed? The contradictions smack of vested

interests and only a thorough enquiry can get to the heart of the matter.

Mining experts have suggested other ways out. For instance, they say there is a provision of leaving a 100-metre thick pillar of solid coal beneath the railway tracks. A fire cannot completely damage such a pillar as it tends to die out when a layer of ashes come between the fire and the coal. Instead of concentrating on such suggestions, the BCCL seems to be taking pleasure in highlighting the dangers of an underground fire beneath the railway tracks.

Faulty Plans

As the people of Jharia suffer the after-effects of BCCL's no-holds-barred coal mining, the town itself has become the cynosure of iron and steel companies for its abundance of resources. Many companies are inking deals with the Jharkhand government, while the BCCL itself is focusing entirely on Jharia's coal reserves. The company had suffered recurring losses for 30 years and could make profits only in 2006. It clearly needs more profits to meet its targets, and hence has been coming up with plans to evacuate Jharia's population. It would have helped BCCL if it had paid at least a quarter of its attention on its own work culture and the corruption within, which has upturned the lives of locals.

In January 2002, the company was forced to submit a report on stabilisation, displacement and measures to contain fire to the apex court. An action plan that the BCCL submitted before the court in August 2003 declared that 532 *bastis* were unsafe and that the company was not in a position to save these areas from land subsidence and underground fire. Under this plan, 65,300 houses, including 3,600 belonging to BCCL, were to be removed at a cost of Rs 2,300 crores. One thousand crores were to be spent in extinguishing fires at 64 places, and Rs 343 crores on stabilisation and protecting the land above 121 abandoned, unsafe mines.

But, as former CMRI director Singh points out, BCCL has not shown in

the plan on what basis the 532 *bastis* were declared unsafe. Besides, sand filling, which can be done in abandoned mines, costs only about Rs 100 crores and not Rs 343 crores as claimed by BCCL, he adds.

The rehabilitation scheme, as chalked out under the Jharia Action Plan, is flawed as well. Work is being carried out in Belagaria in Dhanbad district for rehabilitating people from Jharia. But it's not clear how people can earn a living there. One needs to keep in mind a similar experience from a previous rehabilitation scheme, when the people displaced by the Mukunda Opencast Mining Project in Jharia were moved to Karmatand and Pradhanhanta, also in Dhanbad district. Eight hundred and sixty-four flats were built at a cost of Rs 22 crores but not a single person moved into any of them and the project had to be stopped midway.

BCCL's plan shows that 5,500 houses in the town area of Jharia have to be evacuated in the first phase. But the residents have not been shown any proof of there being underground fires in those localities. Wells, tubewells and ponds here are all full of water, and show no sign of running dry or of being affected by an underground fire. The ex-MP Roy argues that if BCCL were to give people proof of underground fires, they would not choose to stay on and lose their lives. They just need evidence to support what a company they have no reason to trust is saying.

Besides, there are other ways in which the underground fires in Jharia can be tackled, according to experts. Dr Y Pal Chugh, professor and director of Combustion Byproducts Recycling Consortium, Midwest Region, USA, also a geo-technical engineering expert, suggests that the mines should be filled with "inert" materials such as fly ash, which will prevent fires from spreading. He suggests, "After identifying fire-hit areas and drilling holes every 200 to 300 metres, fly ash and other inert materials should be injected. Nitrogen-filling is another viable option."

Dr Chugh, who is upgrading ISM's BTech programme, has worked in the mining engineering field for 45 years. His personal opinion is that displacement in Jharia should not be made an issue as there are very few coal reserves left in India. "Mining can be done only for the next 200 years. The reserves of prime coking coal in Jharia are significant resources of energy for the nation and therefore, should not be wasted," he says.

The Next Step

As BCCL plans to 'rehabilitate' the lakhs of people in the 595 *bastis* (though the figure was 532 *bastis* earlier, the number keeps increasing every month) said to be threatened by land subsidence and underground fires, a socio-economic survey of the affected people is being conducted by teams trained by CMRI's senior scientists. The survey is said to have been commissioned by the Jharia Rehabilitation and Development Authority. This report, to be finalised in six months, will have all the details concerning the affected population and also suggest measures and methods for rehabilitation.

The study is an important step towards implementing the Jharia Masterplan, as directed by the Supreme Court. Under the plan, Rs 6,300 crores is to be spent on controlling underground fires and land subsidence; and people living in over 79,000 houses are to be rehabilitated (this number was arrived at on the basis of a previous survey).

A shocking aspect of this study is that the people who are to be surveyed have no idea that such a thing is being planned. For reasons that are not yet clear, the survey has been kept a big secret, with CMRI and other institutes involved remaining mum on the subject.

Sources say that according to the survey that is being conducted, the masterplan will cost Rs 6,342 crores, of which Rs 4,200 crores will be spent on rehabilitation and the rest Rs 2,142 crores on fire-fighting. The plan is to

be implemented in 10 years. People living in 79,159 houses are to be rehabilitated; this includes 25,000 houses belonging to BCCL workers and 44,000 houses of non-BCCL workers. Among the non-BCCL houses, 29,444 houses are private and authorised while 23,847 houses are unauthorised. The remaining 868 houses fall under other categories.

Somewhere between all these numbers can be found the Jharia that the locals remember, a town where people came to realise their dreams, now only a distant memory captured in folk songs.

Full Monty, Please!

BY UMESH NAZIR (TRANSLATION BY RAHUL RAJESH)

State agencies and corporates have colluded to take the word ‘public’ out of public hearings, legally considered as platforms for protecting both the rights of project-affected people and the environment. Yet, recent events in Jharkhand indicate that locals have managed to retain a certain amount of control over the public hearing in the face of state intimidation and corporate inducements. Much work, however, remains to be done

Public hearings are meant to be the first line of defence in protecting the rights of people likely to be impacted, directly or otherwise, by an industrial project. But, in today’s ‘liberalised’ India, a hearing has morphed into an arena where the interests of industrial groups are promoted at the cost of people’s rights and the environment. Yet, one element that holds out a glimmer of hope amidst all this is the fact that the much-maligned public

hearing — despite innumerable state and corporate attempts to scuttle it — has been able to mobilise people to fight against projects that do not have their free and informed consent.

Many instances attesting to this fact are to be found in the state of Jharkhand, a region that has attracted industries in droves because of its rich mineral resources. Most projects inevitably end up damaging the fabric that holds the communities in Jharkhand together, and violate the Constitutional rights of the people while also wreaking havoc on the environment. It's in such a situation that public hearings have been able to give a voice to project-affected people, reviving a culture of protest that the region saw in the 19th and 20th centuries, and evoking a throwback to the Santhal rebellion in 1855, when the locals protested against the British and the zamindari system.

A discourse on public hearing is important because corporates, in connivance with the state, are trying to appropriate and monopolise natural resources, even as the rightful inheritors of the land strive for a harmonious co-existence with nature. A study can provide useful indicators as to how public hearings, despite innumerable pressures, have breathed life into mass movements and contributed towards protecting the environment.

Environmental Concerns

Legal concerns relating to environment began to gain currency in India only after 1970. Some point to the United Nations Conference on the Human Environment¹ as being a watershed event that made people aware of environmental issues. The Indian government itself was firm in its support of environmental safeguards at the conference.

One of the first legislations regarding environment to be passed in India was the Statement of Object and Reasons in the Water (Prevention and Control of Pollution) Act, 1981. This act was born out of the realisation that rapid industrialisation and urbanisation were resulting in water pollution. Its

enactment points to the fact that nearly three decades ago, people were aware of the dangers posed by the neglectful actions of industries. As the pressure exerted by industries on natural resources increased over the years, the central government announced the New Environment Policy on August 15, 2004, to bring in a measure of regulation. People's opinions on the policy were also sought.

The public hearing was conceptualised as a forum where a dialogue on environment could take place in the interests of the people as well as private companies. A directive issued by Justice MS Shah and Justice TR Tripathi of the Gujarat High Court in July 2000 also contributed towards making a few grey areas about hearings clearer. On a writ petition filed by the Centre for Social Justice², the High Court stated that public hearings must be held in the block headquarters of the affected communities or at venues located near the affected populace.

The importance of people's participation in environment protection was also emphasised under the Environmental Impact Assessment (EIA) Notification of 1994. Simultaneously, there was a consistent effort to undermine the public's role by introducing amendments. For instance, an amendment introduced in 2006 states that if there is a possibility of opposition, or any hindrances, to holding a public hearing at the venue prescribed under law, the location can be changed according to the convenience of the organiser and the agency or corporate that's seeking an environmental clearance. This goes against the essence of the Gujarat High Court's directive.

The Public Hearing as a Farce

Industrial units have, for time immemorial, ignored laws concerning the environment in their rush towards commercialisation. Without being aware what the rules and regulations are, people have not been able to mount pressure on defaulting companies. This sorry situation has been exploited by

governments and its various agencies as well as corporates, and it continues to this day.

Initially, when public hearings were started in Jharkhand, locals were denied entry at the meetings. Heads of villages were forced to sign on documents under the pretext that it was mandatory for them to do so! The People's Manifesto³, which was circulated during the Jharkhand Legislative Assembly elections of 2005, demanded that the state government strictly enforce environmental rules. That such a manifesto had to be prepared by various non-governmental groups in itself points to the fact that the government had neglected its duties towards the environment.

Environment, in fact, figured as a major issue in the initial movements for a separate state of Jharkhand, which was eventually carved out of Bihar in 2000. The pollution caused by the industrial units in these parts was such a reason for concern that it became one of the driving forces behind the demand for a separate state. In contrast to the insensitive Bihar government, the people hoped that a new government of a separate state would be more attentive to their problems. A memorandum submitted by the Jharkhand Samanvay Samiti⁴ to the President of India in 1987 highlights some of these concerns. It states, "All over Jharkhand, this [ie, industrial projects] has not only meant a further disposition of sustainable resources from its people, it has also meant their brutal displacement, pollution and degradation of their environment." However, people find their hopes dashed even though they have a separate state and government now.

There is also an attempt to orient public hearings towards just one question: are people ready to give up their land for the proposed project or not? This means that discussions are not initiated on how the proposed project will impact the environment, the flora and fauna around, and the livelihoods of the people. Similarly, while hearings should have ideally served as platforms where people could question companies on the measures they would take to

minimise the ill-effects of their mines, factories or plants, that is seldom the case. The locals try to protect their environment and livelihoods but the state, committed to industrial growth, tries to negate people's wishes, resulting in clashes at hearings. The way several public hearings, such as the one held in Banduhurang, unfolded, illustrate these points.

In the case of Banduhurang, the Uranium Corporation of India Limited (UCIL, also see 'Never Say DAE' on page 140) organised a public hearing about one of their projects in February 2004. The people who tried to voice their concerns were forcibly thrown out of the venue by the Rapid Action Force and UCIL's henchmen. Women activists who raised the issues of environment-protection and the rights of Adivasi women were badly abused. Worse still, all this occurred in the presence of the authorities of the State Pollution Control Board.

Xavier Dias, the spokesperson of the Jharkhand Mines Area Co-ordination Committee, points out that UCIL agents distributed liquor free of cost to lure the people. Activist Sunita Dubey, who participated in this public hearing, notes that UCIL did not follow the correct procedures mandated for a public hearing. Despite many letters and requests, the locals were not provided with Environmental Impact Assessment reports or Environmental Management Plan (EMP) documents. Under an amendment made by the environment and forest ministry to its EIA notification, these documents have to be distributed to the people, a rule that the UCIL ignored. Besides, Banduhurang is designated as a Schedule 5 area, where land transfers are prohibited without the consent of the gram sabha. However, this condition was not fulfilled either. The State Pollution Control Board issued No Objection Certificates (NoCs) for UCIL's proposed projects overlooking all the regulations that protected Adivasi land.

Similar was the case with the public hearing organised in Noamundi block in West Singhbhum on September 25, 2004, about Tata Iron and Steel

Company's (TISCO) iron-ore mining extension project. The hearing was held under a cloud of complaints; the people of Balisore village had submitted a memorandum to the chairperson of the pollution control board, Balmukund Sahdev, requesting him to cancel the hearing. They raised three points in the memorandum; one was that no formal, prior notice was given to the affected villagers; secondly, the very land that TISCO was acquiring for the project was to be the hearing's venue; and third, a copy of the evaluation-report on the environmental implications of the proposed project was not handed over to the local village-committee. However, despite this memorandum, the public hearing was convened on the same place and the villagers were forcibly prevented from participating. Police forces were deployed on the main gate leading to the venue.

According to a report published in the Chaibasa edition of *Prabhat Khabar* on September 26, 2004, locals who had come to participate in the public hearing blocked the state highway passing through Noamundi village. A documentary titled *Gun Sunwai*, produced by Bindrai Institute for Research Study and Action Mines Monitoring Centre, shows how thousands of villagers blocked the road shouting the slogan, "*Lok sunwai ek dokha hai!*" (The public hearing is a farce). The police tried to disperse the crowd but the villagers were adamant about not budging till they got to meet the pollution board chairperson. At last, he approached the agitating crowd and assured them that the board wouldn't give a NOC to the project against the wishes of the people. Typically, the board went back on its word. However, TISCO officials till date have not been able to approach the project site because of the opposition from the villagers.

In their effort to undermine public hearings, corporates and government agencies have been flouting rules with impunity. For instance, in the case of an Indian Aluminium Company (Indal) proposal for bauxite mines in Serengdag, a notification was issued by the pollution board in *Prabhat Khabar*

(on May 20, 2004), stating that a public hearing about the project would be held in the Bishunpur block office on June 21, 2004. This venue was chosen despite being located almost 60 kilometres away from affected villages. Besides, the villagers neither had access to newspapers nor to any mode of transport to reach the venue on time. The people the project would affect included those hailing from Asur and Birajia communities, already on the verge of extinction. Both communities have been notified by the state and central government as *Aadim Janjati*, or Primitive Tribes. Yet, without considering any of these factors, the public hearing was organised under shady circumstances. The hearing was eventually attended only by the people the company transported to the venue at its own expense. The concerns and aspirations of Asur and Birajia communities could not be voiced at this public hearing.

The hearing organised about the Orsapat Bauxite Mining project of Hindalco on February 5, 2005, is indicative of the levels to which the pollution board and corporates can stoop to get their way. The hearing was organised in the forest guest house at Neterhat. The locals had been opposing the project for several years and fully aware of this fact, the company brought its own people to the hearing, according to Narendra Nagesia of Paat Agragami Sangh, a group fighting against the project. These people stayed at the guest house, were given liquor and sat through the meeting in an inebriated state, Nagesia claims.

Villagers who got to know of the hearing trekked on their own through dense forests for two days to reach the venue. They had to cook and sleep in the jungle for one night before they could reach the place. But when they arrived at the guest house, the pollution board chairperson of that time, Tileshwar Shahu, prevented them from attending the hearing stating that they were armed with traditional weapons. He claimed that as the hearing was being videographed, it would send out signals that the armed villagers were opposing the project. Whether the arms signified opposition or not,

the truth in any case was that the people were against it. Obviously, the board wasn't interested in letting the locals voice their concerns.

Arm-twisting Tactics

Given the background, over time, people realised that they had to rework their strategies to be able to participate in a public hearing. A pamphlet about a public hearing to be held on September 21, 2004, about the Sisai Vrida Coal Block Project of Avijeet Infrastructures Group, issued by the Jharkhand Mines Area Coordination Committee (JMACC), points to this sea-change in attitude. (The JMACC is a group that fights for the rights of people, especially the indigenous communities, among other things.)

The hearing was to be held at the Khadaia Middle School in Chatra district, and it centred around granting an NOC to Avijeet's group Sisai project. The pamphlet exhorted the people to turn the public hearing into a pledge meeting, ie, "*Lok sunwai ko sankalp-sabha me badal do*". It recommended that the locals use the public hearing as an instrument to intensify their struggle for protecting their land, forests and culture. The pamphlet also put to rest the rumours spread by companies among Jharkhandi communities by highlighting such stark realities as the fact that people who gave up their land for collieries or projects were compensated with only a few pouches of *desi* liquor. In addition, it noted that the displaced ended up living in poverty and were suffering from ailments resulting from polluting units.

As the people became more aware of the modus operandi of government agencies and companies, public hearings came to be increasingly held in the 'safety' of cloistered government spaces. For instance, the hearing on AIMTA's Badam Coal mining and Nico Jaiswal's Motra Coal Project was held in the meeting-hall of the district collectorate of Hazaribagh district on July 3, 2006. The locals had to rush to the collector's office to force him to postpone the meeting (see Behind the Scenes on the following pages for more details on earlier hearings convened regarding the project).

BEHIND THE SCENES

Details of public hearing	Propaganda by project proposers	Action of organisers	Strategies of Jharkhandis
Organised at Banduhurang on February 25, 2005, for UCIL's Banduhurang uranium mines	Assistance sought from RAF and hooligans	Did not take up environmental issues	Tried to participate in the hearing
Held at Noamundi on September 25, 2004, for TISCO's iron-ore extension project	Passed off its own employees as local people; blocked the road leading to the venue with the help of the local administration; and prevented the affected people from participating in the hearing	Decided on the land TISCO wanted to acquire as the venue, ignoring the memorandum submitted by the Mundas of Balisore	An infuriated public blocked the road at Noamundi; and the villagers handed over a memorandum to the chairperson of the State Pollution Control Board
Organised at Bishunpur on June 21, 2004, for Indal's Serengdag bauxite mines	The company distributed money among people	Information on the public hearing was not disseminated properly and the venue was sited far from the affected communities	The public could not reach the venue

BEHIND THE SCENES

Details of public hearing	Propaganda by project proposers	Action of organisers	Strategies of Jharkhandis
Organised at Netarhat forest guest house on March 6, 2006, for Hindalco's Orsapat bauxite mines	Sought help from <i>dalals</i> (agents), and distributed liquor among villagers	Decided on a venue 70 km away from the affected communities; prevented people who trekked through dense forest from participating in the hearing	Locals reached the venue after a two-day journey on foot, and tried to participate in the hearing
Organised at Khadaia Middle School on September 21, 2004, for Abhijeet Infrastructures Group's Sisai Vrida Coal Block	The company could not do anything to stop the people	Neither could the organiser	The villagers turned the meeting into a pledge-meeting
Organised at the Badkagaon block office on November 21, 2005, for AIMTA's Badam Coal Mining Project	Did not attend	Did not attend	The villagers held a general meeting and asked the local MLA and the circle officer to cancel the hearing

BEHIND THE SCENES

Details of public hearing	Propaganda by project proposers	Action of organisers	Strategies of Jharkhandis
Organised at Badam playground on March 20, 2006 for Nico Jaisawal's Motra Coal Block Project	Did not attend	Did not attend	People held a general meeting and organised a victory procession
Organised at the Hazaribagh district headquarters on January 5, 2007, for NTPC's North Karnpura power plant	Changed the venue and held the hearing 12 hours before the scheduled time, and lodged an FIR against protesting activists	Did not attend	Activist Dipak Kumar Das imprisoned

Anticipating the opposition from the people, government agencies even started organising public meetings hours ahead of the announced time. At Mazarsharif in Hazaribagh, for instance, a hearing on National Thermal Power Corporation's (NTPC's) North Karnpura power plant was held at the Hazaribagh district headquarters 12 hours prior to the scheduled time. The public notification issued stated the hearing would be held at the district zilla school on January 6, 2007, at 11 am. Instead, the NTPC organised the public hearing on January 5, 2007, at 10.30 pm. An FIR was also lodged at the local police station against activists opposing the project from the Karnpura Bachao Sangarsh Samiti, stating that they had interrupted the public hearing.

Besides, the hearing violated a provision in the 1994 EIA notification, which states that the district collector should organise all public hearings. In this case, though it was about a NTPC project, the corporation itself organised the hearing. The fact that the company planning a project could in itself organise a hearing pointed to the pro-industrialist approach of the government, says Dipak Das of the Karnpura Bachao Sangharsh Samiti.

Conclusions

Pre-independence, the Jharkhand region attracted the attention of the East India Company because of its abundant natural resources and the availability of cheap labour. The public sector units that were started post India's independence unwittingly continued a colonial system in which the state exploited a community dependent on the environment for its own capitalist gains. Historian Vipin Chandra calls it a colonial mode of economy, dictated by colonial social configurations, all of which have torn down the state's original, community-based social and production structures. The parties that have come into power in Jharkhand, just like the previous Bihar governments, have only been interested in exploiting natural resources. Industrialisation is, indeed, their only criteria for 'development'. After Jharkhand was formed, the state has signed 48 Memorandum of

Understandings (MoUs) with industries, most of which are based on mines. It's not a coincidence that not a single MoU has been signed with a company for improving, or creating, infrastructure in the state.

It's against this backdrop that one has to view the appropriation of public hearings by private companies and governments. The way the people of Jharkhand have tried to wrest their rightful control over hearings is admirable, and indeed, if there's anything that has stopped companies from going the whole hog, it's the resistance offered by the public. Environment is an integral part of Jharkhand's tradition and culture, and the manner in which people have tried to participate in hearings — despite the attempts by the government and companies to prevent them — is indicative of the extent to which the locals will go to protect their rights and the environment.■

FOOTNOTES

1. This conference was organised in Scotland in June, 1972
2. The petition challenged the NOC issued by the state government to the Gujarat Electricity Board and Dhruwan Thermal Power project on the ground that the environmental clearances given were illegal
3. This manifesto was issued and distributed by different forums that had got together. All the political parties in the state were requested to frame their policies according to the points raised in the manifesto
4. The Jharkhand Co-ordination Committee was formed to bring under one umbrella all the intellectuals and social/political activists in the state. Its formation was finalised in a meeting held in Ramgarh, Hazaribagh, in September 1987. This memorandum was submitted by the representatives of the Jharkhand Co-ordination Committee on behalf of the aggrieved public

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Defying the Juggernaut

BY BIGHNESWAR SAHU

The anti-displacement movement at Kalinga Nagar will go down in the annals of history as one of the longest mass protests in the country. After 12 Adivasis were killed in a police firing, the locals organised a highway blockade that lasted nearly 14 months. Mass mobilisation continues to this day in the area, despite negative media reports and the Orissa government's bullying tactics. It seems to be the people's way of declaring that an indefatigable protest is the only option left to those threatened by displacement

Orissa has a strong history of people's movements against displacement. Be it the protests against the acquisition of land for the Baliapal Missile Range or the Bharat Aluminium Company plant at Gandhamardhan in the eighties, or the agitations against Tata's steel plant at Gopalpur in the nineties, the state has seen several successful people's struggles. In the first decade of

the 21st century, Orissa continues to witness similar mass movements. The agitation against Utkal Alumina at Kashipur, and Vedanta and POSCO at Paradip, dominate present-day discourse on people's struggles at both national and regional levels.

The Kalinga Nagar movement, in particular, can be seen as a unique one that prompts us to rethink critical perceptions about people's movements, usually described with clichés such as 'anti-development', an 'act of emotional opposition because of the love for ancestral land', or 'motivated by interest'. It's true that anti-displacement movements are usually guided by the fear that a generation will be wiped out if one's ancestral land is snatched away. But what the colonial Land Acquisition Act of 1894, amended in 1984, does not consider is the fact that land offers self-reliance and security. Neither does it recognise the Adivasi's right to land and livelihood. It's against this backdrop that the Kalinga Nagar movement has to be seen. As in the case of most people's movements, it's primarily a fight against historical injustice.

As the Orissa government signs agreements with one corporate after the other, the Adivasi unrest in Jajpur district's Kalinga Nagar continues to simmer. After 12 Adivasis lost their lives in a police firing during an agitation against the Tatas on January 2, 2006, the locals have sworn not to part with an inch of their land even if it means having to take up arms. Although the government is offering higher monetary compensation for the displaced, and changes in rehabilitation laws, these assurances have not softened their stand. Some of the families lost the heads of their households in the firing and, as a result, are today living in great hardship. Yet, they are not eager to collect their compensation from the district administration.

After the police firing, the state government initially declared a compensation of Rs 1 lakh each for the families of the deceased. Though this amount was subsequently raised to Rs 5 lakhs, no Adivasi came forward to accept it. The state and central governments offered about Rs 1.2 crores as

compensation but it's lying with the Jajpur district administration. Says district collector Dr Arabinda Padhi, "Although we are asking them to take the compensation money, they are not willing to accept it."

Only the family of a certain Ram Gagarai, who died in the firing, accepted the compensation amount. As a result, they have been more or less boycotted by the others. The Visthapan Virodhi Janamanch, the organisation spearheading the movement, has directed Adivasis not to accept compensation before their demands are met. And as close relatives of the deceased point out, the police killed people who were merely asking for appropriate compensation for their land. The agitated families, therefore, don't plan to give up either their ancestral property or their struggle, and certainly don't intend to let the Tatas in.

In fact, the families unfailingly kept up an economic blockade of National Highway 200 for over a year, from the day of the police firing, till March 9, 2007. The Janamanch lifted the blockade only after the state chief minister responded to a set of demands it had made; among other things, the people had demanded that the administration should not use force under any pretext to evict them from their land; that the Tatas should not start construction work without their consent; and that a dialogue to ensure no displacement occurs should continue. The chief minister apparently agreed to their demands in writing on March 8, 2007, and the letter was read out to the protestors and their leaders in Kalinga Nagar. It was then that the people decided to withdraw the blockade, on the condition that if the government reneged on its promises, the blockade would be back on track again.

Even today, the area sees mobilisation activities almost daily. There seems to be a media campaign against the Adivasis but they are unaffected by it all. Instead of looking at the reasons that have prompted the people of Kalinga Nagar to put up such a spirited struggle, the question that comes up more often is about their "motivation". Such queries ignore the grim reality that

governments have for long been mining minerals in the name of ‘development’, an exploitative process that in truth benefits mostly the powerful and rich. If there’s anything to be learnt from the Kalinga Nagar movement, it’s that an appropriate evaluation of government policies on industries and land acquisitions is long overdue.

In 1996, the central government announced the New Industrial Policy, which eventually came into force in 2001. The policy centres on the issue of attracting domestic and foreign investments, and developing infrastructure through partnerships between the state and private companies. What is unwritten in this policy is that tribal land will be appropriated, to be handed over to industries with scant regard for people’s concerns, a postscript that has since been seen in Kashipur, Gopalpur, Gandhamardhan, Kendujhar and Jajpur. Tribal communities have been subjected to unimaginable atrocities; false cases have been filed against protesting people; and lathi charges and police firings have become common. The marks of the Kalinga Nagar incident in which 13 people died — one a policeman — can still be seen today. Over 50 people were injured then and some are still undergoing treatment.

Looking Back

January 2, 2006, the day of the Kalinga Nagar firing, will be remembered as a Black Day in Orissa. On that fateful day, Tata Iron and Steel Company Limited (TISCO) was carrying out its earth-levelling and boundary wall work for its proposed project in Champakoil Nuaugaon in Kalinga Nagar industrial area, located near Duburi. An investment of Rs 15,400 crores had been made for the project, a six-million tonne steel plant. The original inhabitants gathered to protest against the work. It was an expression of their discontent against the economic disparities arising out of the government’s industrialisation policies. The police reacted with bullets.

An indefinite strike was observed across Orissa after this shocking incident. National-level leaders from all political parties conveyed their sympathies to

the locals. A storm of protest swept across the region and country. Representatives from civil society, journalists, lawyers, intellectuals, social organisations and human rights activists visited the area to offer their regrets. In the meantime, the state government, the centre and the Congress party offered the family members of the deceased, and the injured, compensation. The government also set up a ministerial committee to look into the firing and launched a departmental investigation into the matter.

In spite of all this, the Visthapan Virodhi Janamanch did not withdraw its protests or the road blockade. One of the main reasons for this was that the corpses were returned to the families in a mutilated condition; in five corpses, the hands had been cut off at the wrist. Obviously shocked and agitated, the Adivasis refused to cremate the bodies. It was only after considerable coaxing by social activists that a collective cremation finally took place. The place where the cremations were done is now demarcated as ‘Beerabhookmi’. It’s also worth mentioning here that while the government announced an inquiry and a compensation package, the only action it took against the authorities in charge was to transfer a few of them. This was small consolation for the families.

The local Adivasis have not been able to forget the incident. They also do not have any faith in the government, one reason why they continue to fight for their land and their livelihoods. As Bhagirathi Mohanty, a Dholpathara village resident, explains, “The rehabilitation policy of the state is faulty, and the government has failed to provide compensation to the people displaced by projects such as Hirakud, Rourkela, Rengali, Upper Kolab and Indravati. Where do we stand then?” Besides, the government had acquired the land from the Adivasis at the rate of Rs 35,000 per acre but sold it to companies such as Tata Steel at a much higher rate of Rs 3.5 lakhs, says Bhagirathi.

Titusen Mohanty, a trader from Kalamatia village in Chandia panchayat, points to the fate of people affected by other projects in the area. He says,

“Next to the area where Tata Steel’s project is supposed to come up, there is another steel plant: the Neelachal Ispat Nigam Limited. Its plant displaced 639 families but they have employed only 182 people.” He adds that according to government records, if Tata sets up its steel plant, it will displace 760 families from Bargadia, Gobarghatia and Chandia panchayats. “Who will guarantee them their jobs and their lives? Most displaced families are landless. And some people don’t even have their names on the displaced people’s list. On what basis will we allow steel plants to come up in our areas?” wonders Titusen Mohanty.

The Land Fetish

In the industrial area of Kalinga Nagar, seven big companies including the likes of TISCO, Jindal and Maharashtra Seamless are planning to set up steel plants that will result in the displacement of a number of people. The government, through the Orissa Industrial Infrastructure Development Corporation — referred to by the acronym IDCO — acquired 12,000 acres of the land here for iron and chromite mining. However, as Titusen Mohanty points out, many of the tribals do not have land deeds against their names, making the process of acquisition and compensation quite murky.

Census surveys show that in 1877, due to a severe drought in present-day Jharkhand’s Saraikala region, people migrated to Sukindagad (today’s Sukinda in Kalinga Nagar). The rulers of that time, and later the independent Orissa administration, promised the Saraikala migrants that they would be given land titles or *patta*. But mainly because of the innocence, ignorance and illiteracy of the Adivasis, many of them could not get land deeds. Taking advantage of the situation, middlemen and fraudsters produced false records, altered land classifications, and obtained ownership titles in their own names. This was going on even when the area was under the rule of kings.

The last land settlement deed in Sukindagad was done between 1917 and

1918. Local Adivasis are unaware of any further revisions to these settlements. Some of the migrant Adivasis from Saraikala still have land records and documents that are in the names of their ancestors. Even then, most are today either landless or marginal farmers with only homestead land holdings.

This ambiguous situation proved to be an excellent opportunity for industrialists to acquire land in Kalinga Nagar in 1992. They ignored the continuous protests of the people and their demands for documents in their own names. It's against this backdrop that what Dr Brahmadev Sharma, former chairperson of the National Tribal Commission, calls the 'mini-Kalinga war' has to be seen.

It's important to note that one of the recommendations of the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, or PESA, is that people living in mining and industrial areas should get collective ownership over the industry or the natural resources. But as Dr Sharma rightly points out, the government has only paid lip-service to PESA. "The government talks of duty and morality while the administration takes oaths to defend the Constitution. But the same government and administration don't hesitate to shoot people down when they try to defend their rights," he says. While PESA enables Constitutional provisions for panchayats in scheduled areas, till now it hasn't been implemented, he adds.

The Kalinga Nagar Adivasis are also at a disadvantage in that their area comes under the Adivasi sub-plan, though under a 1976 central government directive, it should have been declared a scheduled area, says Dr Sharma. If an area falls under the Adivasi sub-plan, then it gets more financial assistance and can avail of certain schemes, but if it's considered a scheduled area, then the tribals enjoy certain exclusive rights such as protection from land alienation.

No Answers

Do the locals benefit from projects in terms of employment? In considering that question, one has to first look at the statistics put out by the state government. As per the state's labour and employment ministry survey, since the year 2000, a mere 11,911 Oriyas have been appointed in a total of 14 steel plants set up in the state; as against this, more than double the number of jobs have gone to people from outside Orissa. Factors such as these are responsible for the discontent among the locals. The January protest in Kalinga Nagar, therefore, was not an isolated phenomenon.

In fact, in 1996, the local people and affected families prevented the Bhushan Steel Plant from coming up in the area. On May 6, 2005, Adivasis protested against the *bhoomipuja* conducted by the Maharashtra Seamless Company. When Rabindra Jarika, a local Adivasi youth, was arrested for no reason in November 2005, the Adivasis protested outside the Kalinga Nagar police station, keeping the collector and superintendent of police under gherao for five hours. The Adivasis also protested near Dholpathar village against Tata Steel's attempt to build a boundary wall in the area. These protests saw their culmination in January 2006.

According to a United Nations' declaration and an International Labour Organisation law (dated 1957) pertaining to indigenous peoples' rights, no industry or factory should be set up without the willingness of the locals; if that doesn't take place, then the right to life and livelihood of the displaced should be taken into consideration. Not only have such guidelines been ignored, but the politicians and the bureaucracy have also not done anything concrete to support the Adivasis.

The story of Kashipur is no different. In December 2000, a few indigenous people were killed in the aluminium-rich district of Rayagada, where Utkal Alumina wanted to acquire land for its industry. The police fired at the locals, ostensibly at the company's instigation, killing three. Utkal's plan is to extract

about eight million tonnes of bauxite from Baflimali, from which they will obtain three lakh tonnes of alumina, entirely for export. To set up the plant to extract bauxite, the company needs 8,000 acres of land. Out of this, only 712 acres is government land, and the rest is privately owned. Ninety-two acres is wasteland while 206 acres comprise forest land. As per the records of year 2000, Utkal expects to spend Rs 4,500 crores on the plant. The return on this investment will be tremendous; it's estimated that in the next 25 years, the company will make about Rs 2,80,000 crores as profit, which is 6,300 times more than the capital. The Orissa government, at the rate of Rs 85 per tonne, will earn Rs 1,400 crores. However, the government will also have to build roads, railway lines, police stations and dams for the project. It has already borrowed Rs 300 crores for constructing railway tracks but the actual costs of the infrastructure requirements are yet to be calculated.

A similar story is unfolding at Vedanta and Sterlite mines at Niyamgiri in Lanjigarh, Kalahandi district. Bauxite reserves of 73 lakh tonnes lie in the Niyamgiri hills. Vedanta plans to mine three lakh tonnes of bauxite, from which it will be able to extract one lakh tonnes of alumina.

Niyamgiri is spread across 1073.4 hectares, and out of this, 506.638 hectares fall in the 'reserve forest area' classification. Vedanta needs 1798.54 hectares of land for its alumina plant; 1,109 hectares of this area is privately owned. The company estimates that 60 families will be displaced while 302 families in 12 villages will be affected by the project. Those displaced will include the Dongria Konds, the original inhabitants of the area. But as the government's revenue department has not yet identified these villages, they are not in the project-affected list. The worst part is that while Rs 4,500 crores will be invested as capital, only 250 people stand to benefit directly through employment, and another 500 indirectly.

A Brief History

When did the anti-displacement movement begin in Kalinga Nagar? In 1992, when the late Biju Patnaik was chief minister, a land acquisition process was initiated in the area under the self-important title of ‘Complete industrial development of Daitari surrounding areas with second steel plant and gas refinery near Daitari river’. At least, this was how the development project was referred to in the identification cards the collector gave to the heads of the affected households in 1996. By 2005, when cards were given out to those ousted for the Jindal steel plant, these merely read ‘Jindal’ in handwritten letters!

Patnaik invited several NRI industrialists, including Swaraj Paul, to Orissa, but the latter was not keen on investing in a steel plant. But ‘development’ did come in the form of a Mid-East Integrated Steel Ltd (MESCO) factory. Work on this unit stopped sometime after it was started in 1994 due to certain controversial financial issues, but by then, 200 families from Arasahi, Khadigadia and Kancheri villages had been displaced. In the case of one family, it so happened that the factory’s boundary wall prevented them from reaching their own home. This family received a compensation for five acres of farm land at the government rate but was not given anything for their homestead land and house. Unable to reach their own home, they moved to another village. Over 12 years have passed since then, but they still haven’t been compensated for their lost home. “The plant never came up. So what can one expect regarding home and cash compensation?” says an Adivasi.

A similar story unfolded in the case of VISA group’s project here. The boundary wall it built around the land it acquired kept out 10 families of Kudumi *sahi* (street) of Jakhpur village and 50 families of Kulapasi *sahi* of Mangalpur village. The families living at Kudumi *sahi* had to leave behind their wells, houses and one-and-a-half acres of homestead land on which grew lemon, orange, mango, jackfruit, guava and teak trees, apart from a

10-year-old banyan tree. In spite of written requests to the collector, these losses were not taken into consideration, and only a cheque of Rs 50,000 was given to the head of each household for home and cattle. Finally, what the 10 families got as compensation altogether was Rs 5 lakhs, with which they had to find and buy land and homes. This meagre compensation was despite the fact that one acre of homestead land with trees is worth Rs 50 lakhs or more. The residents of Kulapasi are caught in the same bind.

In 2004, the people living in the wasteland area of Naranpur and Tangara *sahi* were forced to move out because of Dinabandhu and Rohita plants. Each family got Rs 50,000 as compensation but the local government officials and touts extracted part of that amount. There were no organised protests by the displaced families and as a result, the media did not report their problems. This, however, did not mean that the families were content with the compensation.

The first initiative towards forming an anti-displacement movement was taken in 1995, when over 4,000 acres of land was acquired for the Neelachal steel plant. On January 6, 1995, a public meeting was organised at Dibrugarh Maidan, located in the vicinity, by an organisation called Samajika Dalit Ganamukhya. They distributed pamphlets about the meeting, which among other things, raised pivotal issues such as the need to abolish the feudal zamindari system in Sukinda and land title holdings for locals. (The government had failed to make any provisions for transferring land titles to locals, and had instead filed encroachment cases against them and levied fines for occupying ‘government’ land. The process of issuing *nayabadi* land titles — *nayabadi* means ‘a justified demand’, and titles were given under this settlement in the 1960s — to locals was initiated only to be abruptly stopped within a few days. The leases and titles given to the locals at different times by tehsildars were also later declared invalid, effectively denying people their tenancy rights.)

The public meeting drew attention to the ambiguous land status of the people and the ways in which they were being exploited by the state. As the leaflet pointed out, “The government, instead of working for the rehabilitation of the people residing in the project area, uses force, that is, police force, to ensure that companies can acquire the land. This causes disappointment and anxiety to the Adivasis in the area.”

Four months after this public meeting, the revenue department brought out a 16-point programme to make the issue of land settlements and revenues ‘people-oriented’. Among other things, the programme factored in the idea of providing proof of identity to those without land by creating titles for homestead land; it decided to recognise villages inside commonly held areas as revenue villages and to reclassify forest land that was unsuitable for regenerating forests as village land.

Only the Congress government, which was in power at that time, knows how and indeed whether the programme was implemented. Sources state that in the last two years, over 25,000 government-stamped receipts for homestead land were collected in Sukinda. But these have not been attended to, a clear indication as it were of the fact that the government has no real interest in the Adivasis. It’s no surprise then that the people are wondering why the *nayabadi* settlement was arbitrarily stopped and more specifically, why the titles given under this settlement were declared as invalid.

Possibly the neglect stems from the fact that the percentage of Dalits and Adivasis in Sukinda and Danagadi is 48 percent, slightly higher than the state average of 42 percent. Over 60 percent of the people live and farm on what is considered wasteland. Most Adivasis settled in these slums or clusters over 40 years ago, and continue to have their homesteads and farmland on wasteland and forest land. It goes without saying that had the Dalits and Adivasis obtained titles to this land under the *nayabadi* settlement, it would

have benefited them immensely. The fact that Sukinda and Danagadi are also the blocks from where the maximum number of Adivasis are being uprooted (in the Kalinga Nagar plant area) cannot be a coincidence.

According to the Adivasi elders in the region, almost 3,000 hectares of land that had belonged to the Adivasis since the times of the British are now with the non-Adivasi population in Sukinda and people who don't live in the block. It's entirely possible that the owners are politicians and their lackeys, businesspersons, government officials and middle-agents. Very few Adivasis themselves have had success in acquiring land titles. As in other regions of Orissa, in Sukinda too, the politician-police-bureaucracy network has been attempting to destroy the traditional lifestyles of Adivasis, as well as their practices of collecting produce from forest and farming. A response to such feudal mindsets, prevailing since the times of yore, was seen as early as 60 years ago, when 25,000 Adivasis from 40 villages near the Gobarghati-Chandia area decided to collectively protect about 85 hectares of forest land — including the mountainous Badasuli-Bhitarmanika-Sunajhar belt —near their dwellings. Their forefathers had made the area their home in 1907-1908, so their reaction was not surprising.

Notes from a Wasteland

Parts of the same land that the Adivasis are inextricably tied to have been now redesignated as wastelands by the companies keen on setting up their plants there. For instance, in 2005, the Jindal company declared that their industrial land and its surrounding areas for about six kilometres were barren and infertile in an Environmental Impact Report prepared following a public hearing. A similar report from Tata claimed that not only was their project beneficial for the locals but that it was also located on a wasteland. Some companies have been manipulative enough to altogether avoid getting their projects cleared by the Pollution Control Board. However, social organisations have presented the facts and their complaints before the board; the companies'

lies have also been discussed in public hearings so as to challenge the confounding claims of purported environment assessment reports.

Terms such as ‘barren’ and ‘infertile wasteland’ belie the story of a people who found their lives and livelihoods intertwined around the land. When zamindari was practised, the people made a living by raising cattle and gathering food from various areas, including forests. They also fished off what is today known as the Sukinda Ghat as well as other water bodies, and indeed fish was their staple. During the famine of 1866-67, if the Adivasis could survive, it was because they depended on the forests and water bodies. They obtained firewood, and house-building and cooking materials from the forest.

Today, to the south of the Military Road, one can see Jakhpur and Rabana villages, and indeed in some ways they seem to match the companies’ descriptions of a dusty and barren land. This is where MESCO’s Hill View Hotel and plants including VISA’s and Jindal’s are coming up. But what is worth remembering is that before the road came up, the area was covered with pastures and forests. The only inhabitants were Adivasis and those among them who raised cattle resided near the forest, moving from one place to another with their buffalo herds. The herders were eventually forced to leave their homes during the British times, when there were fears that the British and the zamindars would retaliate against them for being part of the people’s struggles against princely rulers, which was popularly known as Praja Andolan. Nevertheless, the fertile hill area continued to be a haunt of herders. The hills were their support systems, and around these were their lives built. And it’s for their right to these mountains and ancestral land that the Adivasi communities are today fighting for. Having lost their faith in governance and indeed democracy, they seem to be announcing to all the people threatened by displacement that the only means to protect one’s livelihood and ensure security is through an indefatigable protest.■

Fifth Columnists?

BY KEDAR MISHRA

In the Oriya media, truth is often sacrificed at the altar of political ambitions and advertisement revenues. Industrial houses that advertise in newspapers are rewarded with laudatory reports as was evident after the Kalinga Nagar firing. Newspapers that initially castigated the state government as anti-tribal after the killings changed their tune to brand the people's agitation a Maoist-sponsored one. As a result, the public impression is that the media is protecting the interests of industrialists and mine owners instead of creating awareness about displacement

The term ‘mass media’ once meant the state-owned national television network Doordarshan and a handful of newspapers. In the 21st century, thanks to globalisation, there has been a virtual explosion of media outlets across the country. Orissa with its own share of newspapers and electronic channels, is no exception to this phenomenon. But is quantity any indication of quality? A review of the Oriya mass media makes it clear that there is in

fact no correlation between the two. As Gourahari Das, general manager (news) of the leading Oriya newspaper *Sambad*, says, these days, a journalist cannot afford to write confidently against the anti-people policies of the government or corporate bodies because of the inner dynamics of the Oriya print media. When an issue is covered with a certain amount of sensitivity, it's even interpreted as weakness on the part of the correspondent.

In the case of Orissa, it's particularly important to remember that the state has been subjected to both natural and manmade calamities. The situation continues to be grim a good 60 years after India's independence, with the private sector intent on looting the natural resources of the state. Worse still, they are being co-opted by none other than our own leaders and bureaucrats, who are the ones who wield true power in the country's so-called 'democratic' set-up.

The Kalinga Nagar killings of January 2, 2006, are a shocking instance of how the government has chosen to stand by the industry and not by the people who had voted them into power. On that fateful day, the police fired on tribals protesting against the setting up of a Tata steel plant, killing 12. Not only were the tribals gunned down in cold blood, but their dead bodies were also cut into pieces. The private parts of the dead tribal women were inhumanly mutilated as well. Jamsed J Irani, the Tata company chief, washed his hands off the incident and cleverly put the blame on the government. In a letter published in *The Financial Express* of January 6, 2006 Irani wrote, "Last week's unfortunate event was a consequence of the government's action in trying to get the land vacated. No officer of Tata Steel was present, nor was there any other involvement from the company..."

In this context, what was the role of the mass media in Orissa, especially the print media? What did the Oriya newspapers do to protect the interests of the tribal people, who have been the inhabitants of the land? What did the newspapers do to make the public aware of the plight of those who had been

displaced by various industrial projects? It's imperative to answer these questions, for newspapers continuously examine others. A discussion on their role, therefore, is important from both a historical as well as a political point of view.

The History of Oriya Newspapers

Oriya newspapers came into existence in 1865-66 when Orissa was in the grip of an unprecedented famine, widely known as 'Na'anka'. Lakhs of people died in the famine, which was more manmade than natural. The shortsightedness of the imperialist rulers and the native babus led to the starvation deaths, as tonnes of food grains were available at that time. As a reaction to this crisis, *Utkal Deepika* was brought out in 1867 as the first newspaper from Orissa. Ravi Shankar Ray, an employee of the British government, was its founder-editor. Despite being a clerk in the government, Ray brought to the editor's job an admirable degree of transparency, honesty and fearlessness. The way *Utkal Deepika* took the erstwhile famine commissioner to task is beyond the imagination of the contemporary, so-called free mass media. Subsequently, *The Samaj*, a newspaper founded by Gopabandhu Dash, became the torchbearer of the freedom movement and national awakening.

The Oriya mass media took a U-turn in the post-independence era. Journalists associated with popular media outlets emerged as the anchorpersons of Orissa politics. Radhanath Rath, the editor of *The Samaj*, Harekrishna Mahtab, the founder-editor of *Prajatantra*, Rajendra Narayan Singhdeo, the founder of *Swarajya*, Debendra Satpathy and Nandini Satpathy of *Dharitri*, Biju Patnaik, the owner of *Kalinga*, and its editor, Surendra Mohanty, all utilised their newspapers to establish themselves in electoral politics. But curiously, nobody wants to discuss how these editors have used their papers to further their political interests. Popular perception of the media, however, bears this out.

The owners or the editors of all the leading newspapers in Orissa have been in politics and have occupied seats of power. The editors of *Prajatantra* and *Dharitri* were Members of Parliament from the ruling Biju Janata Dal (BJD) while the editor of *Sambad* continues to be a prominent office-bearer of the Congress party. The owners and editors of other small and medium newspapers present the news in keeping with their political interests. The news that is published daily is “politically motivated” and “pro-capitalist”, says Debendra Prusti, the editor of *Sanchar*, a weekly newspaper.

A non-political alternative newspaper has not come up so far. As a result, reams of paper is devoted to subjects that concern the leaders and corporate bodies instead of the core problems that Orissa faces. Even though one-fourth of the population of Orissa are tribals and Dalits, the newspapers almost never highlight their problems and issues. Statistics reveal that newspaper owners, editors and journalists are predominantly from the upper castes and classes. In the current scheme of things, tribals and Dalits have no opportunity to raise their own concerns.

No Space for News

The internal administration of Oriya newspaper establishments is appallingly weak. None of the employees get adequate salaries; instead, newspaper owners exploit them as intellectual labourers. The staff finds it impossible to publish in-depth and research-oriented studies. More often than not, news about Koraput is written from the Bhubaneswar desk. Journalists working in interior districts and blocks share the ideology of their owners and editors, and misuse their identity cards to achieve petty political gains and collect booty. They spend their time singing paens to the sarpanch, the block development officer and the collector, and by interviewing ministers and legislators instead of focusing on important issues. Trivia such as a marriage between dolls or something sensational like the sacrifice of male genitals to propitiate Shiva, the phallus god, gets prominent space in newspapers.

In the nineties, newspapers created the impression that Orissa was a poor state whose inhabitants were dying of starvation or who were selling their own children for survival. The Members of the Legislative Assembly (MLAs) delivered eloquent speeches deplored the sad plight of the people surviving on poisonous roots (or *kanda*) and tamarind leaves. The state government even highlighted Orissa's poverty before the central government to demand a special category status for the state.

Two former chief ministers of Orissa, Biju Patnaik and Janaki Ballav Patnaik, hit upon massive industrialisation of the state as a solution to the problem. While the former wanted to transform Orissa into a 'Heaven of Steel', the latter came up with the slogan 'One Thousand Industries in One Thousand Days with an Investment of One Thousand Crores'. It was as if industries and steel plants could eradicate the hunger and poverty in the state. The state's mineral riches were blindly sold to industrialists and mine owners at throwaway prices. The present chief minister Navin Patnaik continues that trend. The same chief minister who demanded a special category status for the state five years ago is now aiming to attract an investment of Rs 30,000 million. The unfortunate part is that the Oriya mass media till now has not thought it fit to ask who stands to benefit from this investment and in whose interest the land, water, forest, mines and human resources of the state are being sacrificed. Instead, the newspapers are full of news about the private lives of businessmen like Laxmi Niwas Mittal and the Ambanis.

There is a vested interest — in the form of advertisement revenue — behind such indifference. The Oriya newspapers prefer to thrive on advertisements instead of banking on readers. When the coffers of these newspapers are overflowing with the money generated as advertisement revenue, how can they gather the moral courage to write against these same companies? If we delve deep into the role of the Oriya mass media in the aftermath of the Kalinga Nagar killings, it becomes clear that the newspapers

put their revenue over state interest. How else can one explain the change in the media's stance after the Kalinga Nagar incident? The newspapers initially castigated the state government as anti-tribal but soon changed their tune and branded the agitation a Maoist-sponsored one. It was from national newspapers that the people of Orissa secured some news about displacement and the plight of the displaced people. Oriya newspapers at that time were publishing made-up news about the success stories of model villages that had been sponsored by private companies.

The Kalinga Nagar incident is symptomatic of the problems of Orissa, where the government itself is the chief perpetrator of the repression and exploitation of the state's tribals and Dalits. Take a look at the numbers. About one-sixth of the inhabitants of Koraput district have been displaced due to mining and industrialisation. Since 1940, over 25.50 lakh people have been displaced by different mining projects across the country. Only 6.30 lakh have been rehabilitated. Among those displaced, the number of tribals is about 13.30 lakh. Similarly, of the 16.40 lakh people displaced by river-dam projects, only 4.30 lakh have been rehabilitated. We are further constrained by the lack of accurate data about displacement and rehabilitation. As far as these topics are concerned, the views of the government and non-government organisations are in stark contrast to each other. In the predominantly tribal districts of Koraput, Rayagada, Keonjhar, Jajpur, Sambalpur, Jharsuguda, Mayurbhanj and others, no survey has been conducted on the displacement resulting from mining projects.

It's true that immediately after the Kalinga Nagar massacre, the media did highlight some of these issues. But it pales in comparison to the coverage given to political issues and celebrities. In the past five years, there has hardly been any story on the health and environmental problems caused by the coal mines in Jharsuguda district, where mine owners have been treating locals in an inhumane manner. Instead of bringing out such elements, newspapers support industrialisation and contribute to the view that it's necessary for

economic growth. A state's development is certainly important but just as pertinent is the question as to who will pay the price for this growth. Why should we treat our original inhabitants as sacrificial lambs for the development of the state? Why is their consent not taken before their forests, water and land are sold to companies? Have either the government or the industrialists tried to gauge the opinion of the local population before drafting a Memorandum of Understanding (MoU)? Who has given bureaucrats the right to determine the fate of the people overnight in the secretariat? These are questions that should ideally have been discussed in newspapers.

Dishonesty in Reporting

Soon after the Kalinga Nagar incident, the Oriya mass media was busy determining the political arithmetic and future of the BJD-BJP (Bharatiya Janata Party) government, and the ways in which the death of the tribals would affect the combine's standing. In a bid to appease the tribal community, the BJP branded the government a "murderer of tribals". The then state president of the BJP indirectly threatened to withdraw the party's support to the government. The mass media covered this hullabaloo in an exaggerated fashion. The political volatility across the state was not appropriately reflected in the editorials of newspapers. Instead, the edits focused on subjects like the demands for mobile phones in the world market. The only strong editorial about the Kalinga Nagar incident came in the *Dharitri* newspaper on January 7, 2006, wherein its editor Tathagat Satpathy strongly condemned the happenings in Kalinga Nagar and stated that no development project should be undertaken without the consent of the people. It's another story that soon after, *Dharitri* started publishing imaginative stories about the involvement of Maoists in the Kalinga Nagar movement. The editorial, however, was written either because of genuine concern or political interest.

The daily *Odisha Bhaskar*, which was founded by a frontline leader of the ruling BJD party and is hence sympathetic to the state government, published

colourful stories about the subsequent tribal demonstrations and road blockades. A feature titled ‘Petty leaders take advantage of the displaced after Kalinga Nagar incident’, published on February 12, 2006, carried vague arguments. It stated that due to the pressure exerted by Opposition parties, the government divested the administration and the police of its powers after the Kalinga Nagar incident.

The same newspaper also carried another news item titled ‘The untold stories behind the Kalinga Nagar incident’ just two days after the firing. The report mentioned that the police-tribal conflict did not happen on the spur of the moment, but was due to the irresponsibility of the district administration. The conflict could have been averted through dialogue but it had now blown up into a political conspiracy, with Leftists-Maoists being involved, the report said.

The newspapers also published several statements by leaders of the ruling party denigrating the Kalinga Nagar agitation. Damodar Rout, the then secretary-general of BJD, and Prasanna Patsani, Member of Parliament from the Bhubaneswar constituency, stated that the tribals who died in the police firing were not locals but Bihari goons. The only paper to nail this lie was *Sambad*. In an article titled ‘Is the government looking for identification? Please find it here’, the paper reported that the state was trying to mask the identities of those who died or were injured in the firing, so as to propagate the lie that the dead did not belong to those families displaced by the Kalinga Nagar units. *Sambad* presented an exhaustive report about the family members of the dead and the injured, with their names and addresses. The report exposed the concocted statements dished out by the state government and the leaders of the ruling party.

However, this lone effort was largely overshadowed by the way in which most of the media functioned as a mouthpiece for the government. Some facts filtered in, but the residents of Kalinga Nagar disbelief everything

that appeared in the papers as a matter of rule. A seven member fact-finding team, which visited the site the day after the police firing, stated in its report: “People had blockaded the National Highway. The dead bodies of the tribals were lying on the main road. They were saying that the cremation would not be done till their demands were met. Some young people also opposed a Sahara TV cameraman shooting the proceedings because E-TV had already gone on air stating that Maoists were behind the trouble. The agitators strongly denied this allegation.”

Nevertheless, the media continued to cover the agitation in a negative manner. As a result, the public’s impression that the media was protecting the interests of industrialists and mine owners instead of creating awareness about displacement rightfully persisted. Another development also took place during this period; legislators from the tribal community, and tribal leaders, maintained a studied silence on the subject.

Unanswered Questions

During the nineties, the tribals handed over their land in Kalinga Nagar to the Industrial Development Corporation of Orissa (IDCO) at the rate of Rs 50,000 (some media reports say the figure was Rs 35,000) per acre. But at that time, the corporate houses were not in a position to build their factories, and hence didn’t take possession of the land or construct a boundary wall. Therefore, the locals continued to use the land that had been handed over to IDCO.

As the steel prices soared in the international market in 2001, the rush to set up factories began. Corporate houses such as MESCO, Neelachal Ispat Nigam, Jindal, VISA, Maharashtra Seamless and others reportedly paid IDCO Rs 3.5 lakh per acre for purchasing the land. The dispossessed didn’t have any opportunity to demand a share of the enhanced price. Instead the tribals ended up as pawns in the hands of various vested interests. It’s worthwhile

mentioning here that during the nineties, when Swaraj Paul and other industrialists explored the possibility of establishing units in Kalinga Nagar, much of the land there had already been purchased by politicians and wealthy people, from Jajpur and outside. It was possibly against this background that some prominent personalities, leaders and labour leaders instigated the tribals. Maoist Naxals had also arrived in Duburi and Sukinda areas by then. A report on this subject was published in *The Samaj* on January 4, 2006.

No newspaper correspondent, incidentally, has been able to give any concrete evidence of a Maoist hand in the Kalinga Nagar agitation. No proof has been given establishing a connection between Maoist organisations and the Visthapan Virodhi Janamanch (Anti-Displacement Platform) either. Nevertheless, the newspapers unabashedly continued their propaganda of branding the tribal movement a Maoist one. Even *The Samaj* could not keep itself from making such misleading statements. On January 4, 2006, the paper published an article titled ‘The government purchased land from tribals at Rs 35,000, sold them at Rs 3.5 lakhs’, in which it was stated that the Maoists were making full use of the dissatisfaction among the tribals. The article claimed that even though Prafulla Ghadei, the state finance minister, Sarat Rout, a former minister, and Mayadhar Nayak, a labour leader, had considerable clout in that area, the administrative machinery did not discuss the topic of displacement with them. As a result, they were not in a position to make a commitment to the people, and this inaction suited the Maoists, the report said. It also went on to state that from reliable sources, it had been learnt that the Maoists were organising extremist tribals, and that in the future, tribals could take to guns instead of bows!

All these comments fly in the face of ground reality. The tribals, led by the Anti-Displacement Platform, organised a peaceful blockade of National Highway 206 to express their resentment. Newspapers, however, called the blockade ‘Naxal-sponsored’ and claimed that it went against the interest of

the state economy. The blockade was withdrawn on March 9, 2007. By calling the 14-month, six-day long blockade Maoist-sponsored, the newspapers only exposed their anti-tribal stance.

Traditionally, newspapers have also been more interested in blowing their own trumpet than in discussing subjects such as the acquisition of tribal land. *The Samaj*, for instance, doesn't hesitate to brag about its relief operations during natural calamities. Similarly, as a part of its publicity stunt, the officials of *The Samaj* visited Kalinga Nagar to show their sympathy for the victims. A report on this was published in the paper on January 8, 2006, in which it was stated that 'The Samaj Family' had expressed their condolences by handing over a cheque of Rs 25,000 to a woman named Jyotsna (identified only by her first name in the report). The article stated that the tribal family had mentioned that all they had got even after 10 days of the police firing were promises, while *The Samaj* was the only institution that had rendered assistance. Such a report was more a vulgar expression of self-glorification than news.

After the High Court of Orissa issued directives to Kalinga Nagar residents to lift the road blockade, negotiations started between the government and the Anti-Displacement Platform. Three forest guards were killed in Maoist firings in Dhenkanal district one day after the discussion started at the state Secretariat. Some newspapers mischievously tried to co-relate the killings with the negotiations. The local edition of *The Indian Express* carried a news item saying that the government had demonstrated its impotence by launching a discussion with tribals and that Maoists had become active by seizing upon this weakness of the government.

Newspapers in Orissa have consistently published motivated reports with a view to exacerbate the relationship between the district administration and the tribals on one hand and to harden the stance of the agitating leaders on the other. In reality, the respect for the tribal movement increased manifold

after the Anti-Displacement Platform withdrew its road blockade. If the movement was violent and Maoist-sponsored, why would that have happened? Predictably, newspapers chose to gloss over that point.

A Raw Deal for the Displaced

After the Kalinga Nagar firing, the mass media highlighted the people's unhappiness at the inadequate compensation for land, and the fact that the government had made a profit by selling the land to companies at rates almost 15 times higher than the original price paid to the owners. According to Sudhir Patnaik, social activist and editor of *Samadrusti*, 700 tribal families were living in that area, out of whom only 250 families are to be found today. The remaining 450 families have become untraceable. This has invariably been the fate of all those displaced by various projects in Orissa. The people displaced by the Hirakud river dam project of the forties have not yet been rehabilitated fully. Engineer Karunakar Supkar gives a ludicrous example of the rehabilitation and compensation policy of the government in connection with the Hirakud project. "Twenty-four tribal and Harijan (Dalit) families were living in the Harijan basti (hamlet) of Jamada village in Jajpur district. They lived comfortably by tilling between half an acre to one acre of land, fishing and cobbling but they were asked to make way for the reservoir. After a bitter fight with the administration for nearly a year, they received a compensation in April 1949, of 519 rupees and 3 annas at the rate of three annas per decimal for a total of 27 acres and 76 decimals of land," says Supkar. Over 50 years later, the same story is being repeated in Kalinga Nagar.

It's preposterous to pay compensation to the owners of land according to the market rate at the time of acquisition of land for industrialisation and mining purposes. The price of the land should be determined with an understanding that industrialisation jacks up land prices, instead of relying solely on prevailing market rates. The Orissa government has made repeated attempts to illegitimately pocket the differential gains instead of passing it

on to the owners of the land. A detailed report on the subject, written by this author, was published in *Anupam Bharat* in the first week of February 2007.

Epilogue

The Kalinga Nagar protest and firing highlighted to the world the perils of pursuing industrialisation at the cost of people and the agitation's impact was felt in states such as Jharkhand, Chhattisgarh, Andhra Pradesh and West Bengal. Yet, the Oriya media largely blacked out the events after January 2006. By February and March that year, when major companies like POSCO, Vedanta, Reliance and Mittal arrived in succession to sign MoUs to set up industries, the media had lost interest in the tribals' concerns.

When Anil Agarwal, chairperson of Sterlite and founder-director of Vedanta Resources, reached Orissa for signing a MoU for setting up the Vedanta University, all the major newspapers of Orissa displayed full-page colour advertisements on the same day about his company's plans. The media did not bother to ask why the project required a whopping 10,000 acres of land. The university, which is proposed to be established in a coastal area, will convert significant tracts of land into private property. No questions were raised about this in the media, possibly because of the fat revenue earned from Agarwal's advertisements. Later, with the Mittal group and Ambanis announcing major investment plans in Orissa, the media had no time or space for tribals. There were no effective interventions by the so-called intellectuals, writers, administrators and journalists.

In *The Hindu* dated February 18, 2007, senior journalist HK Dua expressed his anguish over the way in which corporate houses were increasingly hijacking the mass media, resulting in the concerns of the common people being ignored. It's clear that the media has violated the seven golden rules prescribed by Lord Nolan for the four pillars of democracy — selflessness, transparency, integrity, commitment, dedication, responsibility and leadership.

Instead of being a watchdog of freedom and human rights, the mass media has taken upon itself the task of safeguarding the interests of a few capitalists. Little wonder then that in the public eye, the media is condemned for its propensity towards dishonesty, its tendency to put business motives and gains from advertisement revenue over truth, and its dilution of its commitment towards the country and its citizens. The Kalinga Nagar incident is a clear-cut case of how in the absence of values, the media has failed in its duties, and has thereby rendered itself irrelevant.

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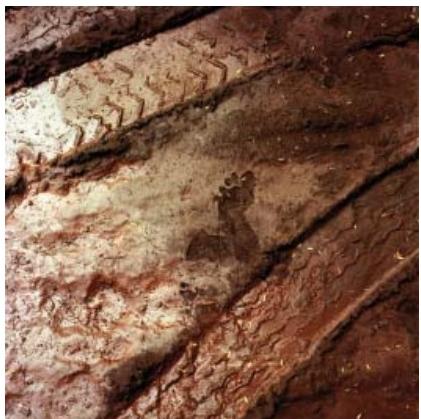
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One of the most incongruous faces of India's modern, globalised economy is to be seen in the country's mineral-rich states such as Orissa and Chhattisgarh. As multi-national conglomerates walk away with state blessings to prospect for resources under the earth, the original custodians of the land, the Adivasis, find that their homes and livelihoods are being bulldozed to make way for industries. While the

lavish lifestyles and expensive tastes of mining moguls are chronicled in minute detail, the struggle of Adivasis seldom gets the attention it deserves. *Caterpillar and the Mahua Flower: Tremors in India's Mining Fields* attempts to correct that anomaly, with a series of essays that examine the manner in which mining has ripped apart the ecological, cultural and social fabric that holds Adivasi communities together. The essays expose the murky and underhand state-industry nexus that allows mining companies to function despite blatantly violating rules while also recording the popular Adivasi resistance movements that have sprung up in these parts. The book endeavours to illumine the dark corners of India's mining corridor, and hopes to provoke debate and action against a system that allows the ruthless exploitation of a defenceless people for the benefit of the privileged.

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(Front) *Displaced from their homeland, Adivasi people gathering leftovers of processed coal in a disused mine in the Bokaro mining region.*

(Back) *Adivasi footprint stuck between truck-tyre prints in the Bailadila iron mines area, Bastar, Chhattisgarh, 2007.*

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